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HAGOC: Taiwan President Cancels Asiad Visit

OW1509104094 Tokyo KYODO in English 1023 GMT 15 Sep 94

[Text] Hiroshima, Sept. 15 KYODO—The Hiroshima Asian Games Organizing Committee (HAGOC) on Thursday [15 September] confirmed the cancellation of Taiwan President Li Teng-hui's visit to the games. The Olympic Council of Asia (OCA), the Asian games governing body, notified the committee the same day of the cancellation of the visit.

HAGOC Secretary General Takayoshi Fukushima said, "I think this business of Li's pending visit has officially been brought to an end." "Now that the thorny issue is over, we at HAGOC would like to extend our heartfelt welcome to both Chinese and Taiwanese athletic contingents."

OCA President Ahmad al-Fahd sent an invitation to Li in July to attend the Asian games opening ceremony but Chinese officials threatened to withdraw from the games should Li attend.

The Taiwanese side reacted strongly against the Chinese move, urging Japan not to knuckle under to Beijing's pressure.

Japan has maintained a "one China" policy since it reestablished diplomatic ties with Beijing and severed official links with Taiwan in 1972, limiting contacts with Taiwan to the nongovernmental economic and private-sector levels.

Beijing does not recognize Taiwan as a national entity, but regards it as a breakaway Chinese province.

In Taipei on Thursday, a presidential spokesman released an announcement saying Li strongly hopes the Hiroshima games will go ahead peacefully without political interventions.

"The OCA has invited the president and he accepted with pleasure. This is a fact. It is regrettable if he cannot attend (the games) for political reasons, but we will rationally deal with it," the spokesman said.

ASEAN Official Proposes Structures Examination

BK1509091194 Bangkok BANGKOK POST in English 15 Sep 94 p 2

[Text] ASEAN needs to examine its structures and mechanisms urgently since the nature and extent of the association's activities have increased dramatically, Datuk Ajit Singh, the secretary-general of ASEAN, said yesterday in Singapore. He was referring to the mechanisms of ASEAN meetings which have remained in place since the 1970s.

In an address on "Looking Ahead in ASEAN", before the Singapore Institute of International Affairs, Mr Singh cited the Annual Ministerial Meeting (AMM), the meeting of ASEAN foreign ministers, as one example which required reexamination.

"Our ministers are grossly overburdened and meeting just once a year is not enough as their agenda is becoming overcrowded," he said.

During the AMM in Bangkok in July, the ministers had nearly 34 hours of meetings among themselves, the dialogue partners, observers, guests and special guests in just over three days.

ASEAN meets annually with its seven dialogue partners—the United States, Japan, South Korea, Australia, New Zealand, Canada and the European Union. During this year's AMM, the ministers also held consultative meetings with their counterparts from observer countries, Vietnam, Laos and Papua New Guinea as well as China, Russia and Cambodia.

On top of these meetings there were "innumerable" bilateral meetings, the secretary-general said. The ASEAN Regional Forum was also a new consultative mechanism introduced at the Bangkok ministerial meeting.

Since the Singapore Summit in 1992, Mr Singh said the pace of intra-ASEAN cooperation had accelerated while, at the same time, contacts with other countries and sub-regional organisations in Asia, the Pacific, Africa and Latin America, had increased.

ASEAN has granted sectoral dialogue status to India and Pakistan and established a special consultative relationship with China.

In order to allow the foreign ministers to focus on respective issues and reduce the strain on themselves, the secretary-general believes the foreign ministers "could do with two meetings a year". The first could be devoted to discussing just ASEAN issues in December or January each year and the second could be held in July to focus on the ARF and the dialogue process.

Mr Singh also said an examination of the relations between various high-level ASEAN committees could be examined.

"My intention in raising the institutional issue is to point to the need for another look at the inner workings of ASEAN to enable it to cope with the increasingly important role it is playing both within the region and outside. There is a need for ASEAN to revitalise itself and synergise the forces which have contributed to its success. Without this we will only be dissipating our energies and making ourselves vulnerable to external pressures," he said.

Mr Singh said he was not trying to make a pitch to increase staff for the ASEAN Secretariat which was restructured in 1992 with additional staff hired from the private sector and academia.

During his speech, the secretary-general said ASEAN leaders were aware of the rapidly changing global climate and the need to "respond speedily and positively to it".

When problems emerge, ASEAN leaders and ministers have taken "bold and decisive measures" which have even surprised their senior officials. The secretary-general cited for example, the decision by the ASEAN economic ministers to hold an informal meeting in Malaysia in April.

Mekong States Plan To Study Transport Projects

BK1609104894 Bangkok BANGKOK POST in English 16 Sep 94 p 28

[Text] Chiang Mai—A permanent committee has been set up to speed development in the six countries making up the Mekong sub-regional economic cooperation group: Thailand, Burma, China, Laos, Cambodia and Vietnam.

The ministerial-level committee will meet twice next year and will likely meet once a year after that, Deputy Prime Minister Suphachai Phanitchaphak said yesterday at the fourth sub-regional conference being held in Chiang Mai. He said the committee would be permanent in order to provide a consistent direction for development.

The conference specified that if any committee members are not ministers, they must have full authority to make decisions on projects on behalf of their governments.

Dr Suphachai said the conference also agreed to set up ad-hoc committees on transport and energy to implement various projects and reduce red tape.

The Asian Development Bank (ADB) will be the secretariat for both the standing and ad-hoc committees. The conference also approved the results of a transport study done by the ADB's consultants, Padeco Co Ltd. The consultants also recommended additional studies on the following transport projects:

—Feasibility study on Bangkok-Phnom Penh-Ho Chi Minh City-Vung Tau road improvements, to be completed in five months at a cost of US$370,000;
—Detailed study on Thailand-Laos-Vietnam corridor project. France has granted the ADB $1 million to hire a consultant for a 12-month study. This project would identify the second Thai-Lao bridge across the Mekong River;
—Feasibility study on Chiang Rai-Kunming road improvements including work in Burma and Laos. The study would take six to 12 months and cost $300,000 to $1 million;
—Feasibility study on Kunming-Lashio road improvements focussing on the Burmese portion, within three to five months and costing $100,000 to $200,000;
—Feasibility study on Kunming-Hanoi road improvements, four to six months at $200,000 to $400,000;
—Feasibility study on southern Laos-Sihanoukville road improvements, three to seven months at $150,000 to $500,000;
—Feasibility study on Lashio-Loilem-Kengtung road improvements, four to 12 months at $250,000 to $750,000;
—Feasibility study on southern Yunnan province-northeastern Thailand-Northern Laos-northern Vietnam road improvements, five to 12 months at $300,000 to $800,000;
—Feasibility study on northeastern Thailand-southern Laos-northeastern Cambodia-central Vietnam road improvements, three to five months at $150,000 to $400,000;
—Detailed investigation of a Yunnan-Thailand railway considering the mining potential of many of the areas traversed by the proposed railway, four to 12 months at $250,000 to $1 million;
—Detailed investigation of a Yunnan-Vietnam railway three to six months at $150,000 to $300,000;
—Feasibility study on rehabilitation and reconstruction of a Thailand-Cambodia-Vietnam railway, four to 12 months at $250,000 to $1 million, because construction of a new Phnom Penh-Ho Chi Minh City section is not viable;
—Environmental study of upper Lanxang-Mekong River navigation improvements, three to five months at $100,000 to 200,000;
—Mekong Delta navigation improvement studies, 12 months at $3.3 million;
—Civil aviation master plan for Cambodia airport improvement project, eight months at $1-1.5 million;
—Feasibility study on Yunnan province airport improvement, six to 12 months at $500,000 to $1 million baht;
—Civil master plan of Burma airport improvement, eight months at $1-1.5 million;
—Feasibility study on Vietnam airport improvement, six to 12 months at $11.5 million;
—Market study on new subregional air routes, 12 months at $50,000 to $400,000;
—Subregional transport sector software study, six months at $250,000 to $350,000;
—Detailed study of social impact of subregional transport facilities, three to six months at $150,000 to $300,000.

Padeco's general feasibility studies on the road projects determined as follows:

—Bangkok-Phnom Penh-Ho Chi Minh City-Vung Tau was economically viable with 26.6 to 38.3 percent internal rate of return [IRR] and $208.5 to $262.2 million of net present value;
—Thailand-Laos-Vietnam corridor had three route options—Route 8, 9 and 12—but Laos proposed to scrap route 12 and submit route 18 instead. The conference turned down Laos's proposal. Padeco found routes 8 and 9 were economically viable with 14.1 percent internal rate of return. The net present value of route 9 was $7.3 million compared with $5.2 for route 8;

—Chiang Rai-Kunming road improvements via Burma and Laos had 20.2 percent IRR with net present value of $190.4 million;

—Kunming-Lashio road system had 24.1 percent IRR with $695.9 million net present value;

—Kunming-Hanoi road improvement had 16-18.2 percent IRR with net present value of $17.1-23.8 million;

—Southern Laos-Sihanoukville road had 16.2 percent IRR with net present value of $9 million;

—Lashio-Loilem-Kengtung road was economically viable;

—Southern Yunnan-northeastern Thailand-northern Laos-northern Vietnam road had 75 percent IRR with net present value of minus $23.1 million;

—Northeastern Thailand-southern Laos-northeastern Cambodia-central Vietnam road had 12.3 percent IRR with net present value of $1.1 million.

Permanent Standing Committee Agreed

BK1609080394 Bangkok THE NATION in English 16 Sep 94 p A2

[Text] Chiang Mai—A ministerial forum is to be formed with representatives from the six countries along the Mekong River, to speed up their economic cooperation programmes.

The forum will bring together ministers from Laos, Cambodia, Burma, Thailand, Vietnam and China and is expected to operate in the similar way to the Asean economic ministers' forum.

The push for a new "institutional arrangement for sustaining sub-regional cooperation" was proposed by the Asian Development Bank (ADB) here yesterday.

Ministers from six countries, attending a meeting here hosted by Thailand, have endorsed a proposal to construct the first inter- regional highway connecting Bangkok, Phnom Penh, and Ho Chi Minh City and Vung Tau in Vietnam.

Peter Sullivan, ADB's vice president, said the forum could serve a number of useful purposes in supporting sub-regional consultation and consensus building and leading to successful implementation of specific projects.

"Effective institutional arrangements can provide a measure of continuity of policies and programmes to investors, enabling them to plan and finance new projects with a reasonable degree of confidence," he added.

Deputy Prime Minister Dr Suphachai Phanitchaphak said Thailand and the five other countries agreed with the proposal in principle.

He reiterated the Thai government's desire to see the so-called hexagon countries forming a forum similar to the Asean economic ministers and with participation from the private sector.

The member countries would also look at customs and immigration rules to help exchanges.

The ministers agreed to form a permanent standing committee to supervise cooperation schemes between the member countries. It would be involved more on the practical and implementation side of subregional cooperation.

The ministers rejected an idea that the forum should be backed by senior official meetings. Instead, ad hoc working groups would be formed on specific target areas, such as human resource development, environment and energy cooperation.

Prathet Sutabut, director general of the Department of Energy Cooperation and Promotion, said the ministers agreed to form an "electric power forum".

The Chiang Mai meeting also agreed to proceed in forming a committee to consider the transport rules and regulations of each member country, and suggest ways of making them more coherent and flexible.

Economic Cooperation Targeted

BK1609084394 Bangkok BANGKOK POST in English 16 Sep 94 p 28

[Text] All six countries of the Greater Mekong Subregional Economic Cooperation group have pledged commitment to early realisation of sub-regional economic cooperation based on principles of equality and mutual benefit.

"It is our joint responsibility to keep the momentum of our collective efforts by implementing projects that are critical to the area," said [Thai Deputy Prime Minister] Dr Suphachai at yesterday's opening session of the economic cooperation conference in Chiang Mai.

He called on all countries in the sub-region to remove constraints and barriers to trade and investment, and to standardise trade and investment policies to strengthen the subregion's competitiveness.

"In terms of trade and investment links, there are existing complements among six countries that can be used to strengthen our competitiveness and to enhance cross-border trade and investment flows within the subregion.

"To encourage movement in this direction, constraints and barriers for freer flow of products and services must be removed.

"In the beginning, standardisation of trade and investment policies is required," said Dr Suphachai.

Infrastructure and energy sectors are considered by the six countries as essential to economic development. Recent progress in these sectors has been witnessed, he said.

Dr Suphachai suggested the following strategies to maintain the momentum of sub-regional cooperation:

—each country should fully support the sub-regional cooperation project and encourage dialogue among infrastructure, energy, trade and investment sectors
—a formal body to ensure that discussions and activities among participating countries are conducted effectively
—national and international level mechanisms to coordinate activities of the public and private sectors.

Dr Suphachai said the Thai government has made a strong political commitment to support this sub-regional project by allocating 2.5 billion baht in 1995 for physical infrastructure related to the project and another 150 million baht in technical assistance in human resource development projects for the sub-region.

Asian Development Bank vice-president for operations Peter Sullivan spoke of the abundance of goodwill and shared conviction at the opening meeting of the conference that sub-regional cooperation is a logical and mutually beneficial way for advancing the well-being of all participating countries.

"We have come a long way in a relatively short period of time," said Sullivan, adding that only one year ago the Second Conference promoting sub-regional cooperation took place in Manila, endorsing the terms of reference and work programmes important to the region.

These studies have been completed and agreement has been reached on a wide range of projects and initiatives, he said.

"We must move quickly and effectively to implement priority projects and we must create a framework, no matter how loose and informal, for sustaining the process of the Greater Mekong Sub-region," said Sullivan.

Li Ruogu, head of the Chinese delegation, told the opening session that China will continuously support sub-regional economic cooperation and make its due contribution together with all countries.

Laotian delegation head Phao Bounnaphol reiterated Laos' firm determination to actively participate in the overall process of sub-regional cooperation, which it considers an important component of its open-door policy.

Do Quoc Sam, chairman of the State Planning Committee said Vietnam has consistently pledged support for the project and will contribute its utmost to the implementation of the programme.

He said Vietnam considers the programme's successful implementation to be an important contribution to socioeconomic development in the sub-region.

Cambodian Minister of Planning Chea Chanto said his country was looking forward to the realisation of the proposed projects under the priority list which included the road linking Bangkok, Phnom Penh, Ho Chi Minh City and Vung Tau in Vietnam.

Environmental Conference Drops 'Sea of Japan'

SK1309065094 Seoul YONHAP in English 0642 GMT 13 Sep 94

[Text] Seoul, Sept. 13 (YONHAP)—Participants in a regional environment conference here paid heed to South Korea's opposition to the term "Sea of Japan" for the body of water lying between Seoul and Tokyo and agreed to a neutral label using latitude and longitude, the Foreign Ministry said Tuesday [13 September].

South Korea, Japan, China and Russia, here for the first inter-governmental conference of the Northwest Pacific Action Plan (NOWPAP), agreed to the label and its use in the action plan as well as three resolutions to be adopted at the meeting's close, the ministry said.

Working-level NOWPAP talks had generally conceded to calling the area the Sea of Japan, but Seoul said it would oppose any document that employed this label.

The resolutions establish three major NOWPAP projects for 1994-96, select Japan to host the second NOWPAP conference in 1996 and decide to operate a trust fund as soon as it exceeds 50,000 U.S. dollars.

Japan

Tokyo Government Supports U.S. Policy on Haiti

Igarashi Interviewed

OW1609034994 Tokyo NHK General Television Network in Japanese 0304 GMT 16 Sep 94

[Announcer-read report; from "NHK News" program]

[Text] At a news conference held this morning, Chief Cabinet Secretary Kozo Igarashi said that the Japanese Government supports, in principle, the stand of the U.S. Government. In the news conference, Chief Cabinet Secretary Igarashi said: It is very regrettable that the military leadership of Haiti is refusing the intermediary efforts by the United Nations. President Clinton's speech is a warning to such a stance of Haiti. Japan strongly hopes that the Haitian military leadership will take necessary measures, including resignation of the leadership itself, and sincerely accept the intention of the international society.

In this way, he explained a stance that the Japanese Government supports, in principle, the stand of the U.S. Government.

Restoration of Democracy Urged

OW1609034194 Tokyo KYODO in English 0332 GMT 16 Sep 94

[Text] Tokyo, Sept. 16 KYODO—Japan renewed its call Friday [16 September] for Haiti's military rulers to relinquish power and restore democracy in the Caribbean country.

"We strongly demand Haiti's military rulers take necessary steps, including their departure from power, and take the will of international society seriously," Chief Cabinet Secretary Kozo Igarashi said at a news conference.

Igarashi also said it is regrettable that the Haitian military regime led by President Emile Jonassaint has defied the international community's efforts to restore democracy in the nation, the top government spokesman said.

The United States is poised to lead a multilateral armed invasion of Haiti to restore the exiled Haitian President Jean-Bertrand Aristide to power.

In a related development, U.S. Vice President Al Gore urged Japan Thursday to take part in the proposed multilateral peacekeeping operation in Haiti.

Gore made the pitch in a meeting with Japan's Defense Agency Chief Tokuichiro Tamazawa in Washington, Japanese officials said.

Gore told Tamazawa that 21 nations are expected to participate in the post-invasion peacekeeping operation in Haiti and urged Tokyo to weigh the possibility of joining the multilateral effort, the officials said.

Tamazawa made no immediate commitment but promised that Tokyo will look into the matter while taking into account Japan's Peacekeeping Law, they said.

According to Japanese officials, Gore also urged Japan to help Haiti rebuild its economy once the Haitian military regime is removed from power.

"It is regrettable that Japan is unable to take part in the UN military force, but we hope that Japan would play some other roles commensurable with its economic strength," Gore reportedly told Tamazawa.

Meanwhile, Igarashi made clear it is "impossible" for Japan to participate in a multilateral armed invasion of Haiti.

Article 9 of Japan's Constitution forbids the threat or use of force in resolving international disputes.

Foreign Ministry Spokesman Terusuke Terada told reporters that Japan plans to "seriously study" its cooperation with the U.S. on Haiti while keeping a "careful eye" on the situation as it develops.

While noting Japan's inability to cooperate with a military invasion, the spokesman said, "since the military coup d'etat in Haiti, Japan has frozen economic aid outside of humanitarian priorities."

"Japan will consider rescinding this when democracy is restored," Terada said, suggesting that economic aid will resume soon after the military regime has been toppled.

Aid for Intervention in Haiti

OW1609124494 Tokyo NHK General Television Network in Japanese 1009 GMT 16 Sep 94

[Announcer-read report; from "NHK News 7" program]

[Text] Commenting on proposed military intervention in Haiti by multinational forces, including those from the United States, at a news conference this evening, Foreign Ministry spokesman Terusuke Terada said the UN Security Council had already decided that the proposal for military intervention had achieved a consensus in the international community once the necessary diplomatic procedures have been taken.

He said Japan approved of military intervention in Haiti by multinational forces.

Commenting also on Japan's financial support of the multinational forces, the Foreign Ministry spokesman said that a resolution adopted by the UN Security Council called on nations organizing the multinational forces to bear the costs incurred from operations by the multinational forces.

He said Japan would examine cautiously the possibility of providing financial support for the multinational forces while at the same time keeping a close eye on future developments.

JDA Chief Vows Financial Support

OW1509232794 Tokyo KYODO in English 2312 GMT 15 Sep 94

[Text] Washington, Sept. 15 KYODO—Japan Defense Agency [JDA] Chief Tokuichiro Tamazawa told the United States Thursday that Tokyo will "do everything possible" to fulfill a 1991 commitment to cover the full host-nation cost of maintaining U.S. military bases in Japan by fiscal 1995.

Tamazawa, currently on a four-day visit to the U.S., outlined the Japanese position during a meeting Thursday with Defense Secretary William Perry, a Japanese spokesman said.

Washington has voiced concern after the Japanese ruling coalition under Prime Minister Tomiichi Murayama, chairman of the Social Democratic Party, approved a preliminary belt-tightening budget plan that, unless revised later, would slash projected "host-nation support" outlays for the U.S. bases.

Tamazawa told Perry that the Japanese Government will try to fill the budgetary shortfall when the final government spending plan is worked out by the end of this year.

"We fully realize the importance that the Japan-U.S. security arrangement should be discharged effectively, and we will do everything we can to settle the (host-nation support) issue satisfactorily," Tamazawa was quoted as telling Perry.

Speaking later to reporters, Tamazawa said he plans to resolve the budgetary shortfall through top-level talks in the coalition.

"I will do everything I can," he said.

The Japanese Defense Agency initially wanted a 2.8 percent increase in its budget for fiscal 1995, but saw its spending wish-list trimmed to a mere 0.9 percent increase.

The Japanese Government has set aside 123.4 billion yen in the current fiscal year, which began April 1, as host-nation support for the 42,000 U.S. troops stationed in Japan.

An additional 30 billion yen is needed in fiscal 1995 to cover all base-related expenses, a commitment the Japanese Government made in 1991.

A Japanese official said Tamazawa and Perry addressed mostly bilateral defense matters during a two-hour meeting over lunch at the Pentagon.

Neither side raised the topic of an imminent U.S.-led invasion of Haiti, the official said.

The official said Perry and Tamazawa reviewed the question of Japan's participation in the development of a new generation of antimissile missiles under the so-called "theater missile defense" (TMD) project.

The Japanese Defense Agency is asking for a 20 million yen budget in fiscal 1995 to undertake preliminary research, but Tamazawa insisted that Japan has yet to decide to what extent it will get involved in the U.S.-led missile project.

"We didn't address the issue of when a decision must be made," Tamazawa said in a cautious remark that reflected political sensitivities over the issue within the ruling coalition in Tokyo.

The antimissile project, unveiled last year by the administration of President Bill Clinton, is designed to replace the "strategic defense initiative" (SDI) pushed by former President Ronald Reagan.

Japanese officials said Tamazawa specifically reminded Perry that a Japanese decision to undertake research in the antimissile project will not be "linked" to possible future deployment of the weapons system.

Tamazawa, a member of the Liberal Democratic Party, said he assured the Americans that Japan will maintain continuity in bilateral security arrangements under the three-party ruling coalition.

The current visit was Tamazawa's first to the United States since he assumed the Defense Agency portfolio on June 30.

Tamazawa toured U.S. military facilities, and held talks with U.S. legislators during his stay.

He also met with Vice President Al Gore Thursday for what officials described as a "courtesy call."

Gore, JDA Chief on Peacekeeping Operations

OW1609031694 Tokyo NHK General Television Network in Japanese 0155 GMT 16 Sep 94

[Announcer-read report; from "NHK News" program]

[Text] Tokuichiro Tamazawa, director general of the Japan Defense Agency [DA], who is currently in the United States on a visit, met with Vice President Al Gore before President Bill Clinton delivered a speech on television.

In the meeting, Vice President Gore spoke about the military intervention in Haiti by multinational forces, and said it is regrettable that the Japanese Government cannot participate in actions by the multinational forces. He expressed expectations on Japan's economic contributions, saying he hopes Japan will carry out various roles befitting its economic power.

Vice President Gore also expressed hope that Japan will participate in activities to restore peace and security to Haiti after the military operations in the country are completed.

In response, DA Director General Tamazawa said it is Japan's intention to make as much participation in peacekeeping operations as possible, but noted that the country cannot participate in actions entailing the use of force overseas because of Article 9 of its Constitution.

Top U.S. Official To Discuss Financial Services

OW1609082494 Tokyo KYODO in English 0736 GMT 16 Sep 94

[Text] Tokyo, Sept. 16 KYODO—A senior U.S. Treasury official will visit here from Sunday [18 Sep] to discuss issues in financial services with his Japanese counterparts, informed sources said Friday.

The sources said Lawrence Summers, U.S. Treasury Undersecretary for International Affairs, will arrive Sunday to discuss financial services under the bilateral "framework" trade talks.

Discussions will also cover macroeconomic issues ahead of an expected meeting of finance ministers and central bankers from the Group of Seven (G-7) major nations in Madrid on Oct. 1, they said.

Japan-U.S. talks on financial services kicked off in June with an agreement to add it to the priority sectors already under prolonged negotiations—insurance business, automobile and auto parts and Japan's public procurement of telecommunications and medical equipment.

Under the financial service talks, the U.S. is urging Japan to allow investment advisory firms to enter the pension market and ease regulations on securities business.

A U.S. diplomatic official here said that Summers' schedule is still undecided, except for a speech at the National Press Club in Tokyo on Tuesday.

A senior Japanese Finance Ministry official said ministry officials would like to meet him if arrangements are made.

Life Insurer Opposes Demand for Numerical Targets

OW1609082994 Tokyo KYODO in English 0817 GMT 16 Sep 94

[Text] Tokyo, Sept. 16 KYODO—The head of the Life Insurance Association of Japan voiced Friday [16 Sep] opposition to a U.S. demand for numerical targets to measure foreign access to Japan's insurance market.

Takahide Sakurai, association chairman, said at a press conference, "I want to stand firmly against 'objective criteria,' which means commitment to future market shares."

Sakurai said it is customers or markets that determine shares under the free market economy.

The insurance market is one of three priority areas under the bilateral "framework" trade negotiations with the United States, which has persistently called for yardsticks to measure progress in opening up the markets.

"You should leave the matter of market shares to management efforts of each insurance company," Sakurai said, showing concern over apparent U.S. pressure on the Japanese Government to intervene in the opening of the market.

As for remaining issues in the insurance talks, Sakurai was optimistic, saying that except for objective criteria, U.S. requests can be settled within a scope of recommendations made by the Insurance Council on an insurance law amendment planned to take effect from 1996.

After ending their working-level meeting Tuesday without reaching a final conclusion, the two countries are expected to meet again soon with an aim to finalize the insurance talks by the end of September, according to government officials.

Firms Deny Bid-Rigging on U.S. Navy Projects

OW1609130594 Tokyo KYODO in English 1228 GMT 16 Sep 94

[Text] Tokyo, Sept. 16 KYODO—Japanese companies accused of bid-rigging for construction projects on a U.S. Navy air base in Japan denied the allegations Friday [16 Sep].

The companies cited a 1988 finding by Japan's Fair Trade Commission (FTC) that cleared them of suspicions of bid-rigging for projects on the U.S. Atsugi Naval Base in Ayase, Kanagawa Prefecture, west of Tokyo. Among the companies are Maeda Corp. and Nishimatsu Construction Co.

The United States filed a lawsuit earlier Friday with the Tokyo district court, demanding 544 million yen in compensation from 53 Japanese construction companies which it said rigged bids for construction projects at the base.

Officials from some of the companies denied the petition's allegations that the firms formed a bid-rigging group in 1982, saying such a group did not exist at all.

The FTC, however, issued a warning in 1988 to a different group of Japanese companies, finding they violated the antimonopoly law in connection with alleged bid-rigging for projects at the U.S. Navy base in Yokosuka, also Kanagawa Prefecture.

In the case, the companies involved agreed in an out-of-court settlement to pay compensation to the United States.

Asahi Glass Responds to Framework Pressures

94P30103

[FBIS Media Note] **Asahi Glass Responds to Domestic, Framework Pressures**

According to press and other media reports, the Asahi Glass Co. (AGC) is changing the way it does business.

AGC, Japan's largest glass manufacturer, has been suffering a severe drop in profits because of Japan's lingering recession, and now faces greater foreign and domestic pressures stemming from the Japan-U.S. economic framework talks. Over the past year, AGC has taken a number of steps to improve efficiency and increase transparency in its sales and distribution practices. According to several reports, given AGC's already predominant position, these changes will likely enhance the firm's competitiveness even further.

Industry & International Powerhouse

AGC is Japan's "largest comprehensive glass manufacturer and one of the top glass makers in the world" (JAPAN COMPANY HANDBOOK Summer 94), and is also a major producer of ceramics, chemicals, and electronics [See annex]. AGC was formed as a stock company in 1908, but was merged with Nippon Kasei Kogyo to form Mitsubishi Kasei Kogyo in 1944. After World War II, during the break-up of Japan's major industrial groups, AGC once again became a separate and independent company in 1950 (NIKKEI COMPANY REPORTS Dec 94). However, since that time, according to the book KIGYO-KEIRETSU TO GYOKAI-CHIZU (Nippon Jitsugyo Publishing Co. 1991), AGC, along with Nippon Sheet Glass Co. and Central Glass Co., have gone on to form a "virtual monopoly" over Japan's sheet glass market, with respective market shares of about 50, 30, and 20 percent each.

AGC maintains its primacy in the domestic glass market with its eight regional management & sales offices and eight manufacturing plants [See annex]. Furthermore, AGC works through 158 "specified agent" wholesale stores, of which it owns stock in over 20 (NIKKEI SANGYO SHIMBUN 21 Jul 94). Although the other 130-odd wholesale firms are nominally independent, these companies have served for the "most part" as specialty stores dealing "only" with AGC products (NIHON KEIZAI SHIMBUN 20 Jul 93). Incidentally,there are 399 specified agent wholesale firms in all of Japan (ASAHI SHIMBUN 31 Aug 94).

AGC is also especially active in cross shareholding within the Mitsubishi group and the glass industry. According to the NIKKEI COMPANY REPORT, AGC holds "investment securities" in over 144 different companies, with a majority of bank stocks in the top 20 and a book value over 47 billion yen ($470 million). AGC has "short-term holdings" in 144 different stock issues, especially other Mitsubishi firms and all major auto firms, worth nearly 110 billion yen ($1.1 billion). Lastly, AGC has "related firm stock holdings," in which it has holdings in over 177 firms, worth over 152 billion yen ($1.52 billion), with at least 24 firms in the glass industry of which it controls 50 percent or more of the stock. AGC owns a stake in two of six other glass makers listed on the 1st section of the Tokyo Stock Exchange and two of three glass makers on the 2nd section (JAPAN COMPANY HANDBOOK). For example it owns 63.8 percent of Iwaki Glass, "the leading maker of special glass" in Japan.

AGC is also very active overseas. According to a reference book on Japanese companies overseas, KAIGAI SHINSHUTSU KIGYO SORAN 94 (Toyo Keizai Shimposha 1994), AGC has no less than 145 overseas ventures supplying overseas Japanese firms and, increasingly, local firms as well [See annex]. According to the 23 May NIKKEI SANGYO SHIMBUN, for example, three of AGC's subsidiaries are now supplying U.S. auto-giant General Motors (GM). The subsidiaries, AP Technoglass Co. in Ohio, the Splintex Co. in Belgium, and the Lim Shang Hang Temper-Safe Glass Factory Co. in Taiwan, were designated by GM as "excellent parts suppliers" in FY93, during which time they delivered over 700,000 pieces to GM's Saturn division and overseas operations. Their combined production capacity is over 3.3 million pieces. GM has recently designated AGC as a supplier for its luxury cars, so AGC hopes to supply an additional 100,000 pieces for the 1996 model year.

Industry & Government Connections

AGC is one of the 28 principal firms that make up the giant Mitsubishi "keiretsu" conglomerate, which has been described as having the resources of a "semi-industrialized country" in and of itself (KIGYO-KEIRETSU TOGYOKAI-CHIZU). As a key member of the conglomerate, AGC participates in "mutual stock holding" and the dispatch of personnel to other member firms.

For example, three of the five top holders of AGC stock are companies from the Mitsubishi keiretsu. Similarly, most of AGC's own top stockholdings are in firms in the Mitsubishi group [see annex]. Also, sitting as an auditor on AGC's board of directors is Makoto Ugajin, a Tokyo University graduate, who joined AGC in March 1991 after serving as a chief auditor for Mitsubishi Bank.

AGC's leadership is also well connected to industry and/or government organizations. As reported by the NIKKEI WHO'S WHO, they are:

—Jiro Furumoto, AGC's Chairman, who was until recently the chairman of the Japan Fine Ceramics Association and currently is a director of the Electronic Industries Association of Japan, deputy director general of the New Glass Forum, and deputy chairman of the Sheet Glass Association;

—Hiromichi Seya, AGC's President, who is a graduate of the University of Tokyo, a director of the Japan Chemical Industries Association, chairman of the Electronic Chemicals Association, and a member of MITI's Basic Materials Industries Discussion Group;

—Manzo Yasuda, AGC's Vice President, who is chairman of the Japan Ceramic Packaging Materials Association and a director of the Sheet Glass Association;

—Kazuo Kamiya, another AGC Vice President, who is a former bureaucrat from the Ministry of International Trade and Industry (MITI). Kamiya, also a University of Tokyo graduate, entered MITI in 1953, eventually rising to the position of director-general of the Small and Medium Enterprises Agency in 1982. Shortly after, he became director of the Japan Development Bank in 1983, and in 1985 he joined AGC where he became vice president in 1990;

—Hideaki Yamashita, AGC's Senior Advisor, who joined AGC in 1932, eventually rising to become company president and chairman. He is currently on the board of directors for Mitsubishi Research Center, a permanent director of the Keidanren, chairman of the Japan GRC [glass fiber reinforced concrete] Industry Association, and director of the Fine Ceramics Technology Research Union.

AGC also routinely participates in government sponsored committees and policy groups. For example, AGC was recently picked to represent the sheet glass industry as a member of MITI's new "Basic Materials Industries Discussion Group" (NIKKAN KOGYO SHIMBUN 20 Jul 94). AGC president Hiromichi Seya and presidents from five other major companies in the steel, nonferrous metals, chemical, paper & pulp, and cement industries will participate in meetings with MITI's Basic Industries Bureau and Consumer Goods Industries Bureau to discuss such "common issues" as strengthening for international competition, providing technology development bases, and developing measures to protect the environment.

Profits Down Sharply, Sales Remain Sluggish

The lingering recession and rapid appreciation of the yen have lead to a sharp decline in AGC's operating profits, even though sales have remained relatively flat (JAPAN COMPANY HANDBOOK). AGC had sales totaling nearly 926 billion yen ($9.26 billion) in 1989 and 1,022 billion ($10.22 billion) in 1991, but sales fell back to 964 billion ($9.64 billion) in 1993. Operating profits, however, fell dramatically from 65 billion ($653 million) in 1989 to only 15 billion ($152 million) in 1993, over a 76 percent drop. Furthermore, after-tax profits fell from 45 billion yen ($450 million) in 1989 to 15 billion yen ($154 million) in 1993, nearly a 66 percent decline.

	Total Sales	Operating Profit	Current Profit	Net Profit
1993	964,568	15,271	26,268	15,418
1992	1,011,815	25,342	40,056	20,484
1991	1,022,064	47,768	60,227	37,004
1990	1,018,085	44,064	63,617	40,536
1989	925,931	65,316	84,789	45,076

(JAPAN COMPANY HANDBOOK Summer 94, figures in millions of yen.

According to the 22 July NIHON KEIZAI SHIMBUN (NIKKEI), AGC's performance for the first six months of 1994 has continued to deteriorate. AGC's operating profits through June were "about 3.5 billion yen" ($35 million), which is 69 percent less than the same time last year and is about 5 billion less than had been previously forecast. Nevertheless, AGC is predicting an 18 percent increase in operating profits to 18 billion yen ($180 million) for all of 1994. Although it expects sales to fall to 920 billion yen ($9.2 billion), AGC believes personnel reductions and other cost cutting measures will boost operating profits. AGC currently has 9,760 employees, but plans to reduce that number to about 9,600 by the end of 1994. For the first six months of 1994, current profits have fallen "only 45 percent" from 1993 levels to 11 billion yen ($110 million), in part due to improved financial receipts, and AGC expects current profits to reach 28 billion yen ($280 million) for all of 1994. NIKKEI noted, however, that AGC's profit will likely be smaller if the yen remains at its current level to the dollar.

Foreign & Domestic Pressure

In addition to its economic woes, AGC has been under foreign and domestic pressure to change the way it does business. The U.S. Government and glass producers have long criticized the closed nature of the Japanese glass market. The sheet glass industry is one of several sectors falling under the Japan-U.S. economic framework talks, and on 30 September 1994, the Japanese glass industry may face punitive action if it is targeted for unfair business practices under the Super 301 provision of the 1988 trade (ASAHI SHIMBUN 31 Aug 94).

On 29 June 1993, the Japanese Fair Trade Commission (FTC) revealed the contents of a survey of "corporate trading relationships," which stated that the sheet glass market was "oligopolized" by the three firms of AGC, Nippon Sheet Glass, and Central Glass (NIKKEI 30 June 93). According to the survey, "it Is difficult for other firms to enter the market because of the fixed system of designated agent [wholesale] stores." The report stated that 97 percent of specified glass wholesale stores had been dealing with the major glass dealers for over five years and that 84 percent had dealings for over 20 years. According to NIKKEI, the report also noted that there were some smaller glass retail shops that wanted to sell cheaper imported glass, but they were dissuaded by the "suggestion" that Japanese producers and wholesalers would cut off domestic supplies if they did so.

As a result of that report, on 30 June 1993, MITI called in the heads of the three sheet glass makers and "requested" that they reform their "exclusive trading customs." According to the evening edition of the 30 June 1993 NIKKEI, MITI specifically asked that the firms abolish their rebate systems, which had the effect of causing wholesalers to limit the use of "other firms' products," and urged the firms to pay more attention to their "Anti-Trust Law adherence programs."

AGC Changing Operations To Retain Profitability

Soon after MITI's request, AGC announced that it would abolish its rebate system for specified agent wholesale stores (NIKKEI 20 Jul 93). Under this system, AGC paid rebate "incentives" to wholesale stores that met sales goals. AGC gave rebates on a graduated basis as a percentage of sales—the higher the sales, the higher the rebate percentage. The rebates started under one percent and went up to six percent. This system had two major consequences: 1) stores were motivated to increase sales to receive a higher rebate percentage, thus increasing the financial burden on AGC, which had been paying about 2 billion yen a year ($20 million), and 2) to reap ever more rebate money, the specified wholesale stores gradually became "dedicated" stores that would sell only AGC's products, thus discriminating against foreign and other domestic glass makers. Consequently, as reported by the 22 July 93 NIKKEI SANGYO SHIMBUN, AGC abolished the rebate system, not only in response to international and domestic criticism, but also to reduce its financial burden and improve profits.

Another change was reported by the 11 November 1993 NIKKEI, in which AGC special director Yasuhiko Furukawa announced that the firm would change the way in which market prices for its sheet glass are decided. Specifically, AGC will cease "after-the-fact price adjustment," in which the market price is discounted after delivery to the wholesale firm. For the most part, these adjustments were made on the basis of a personal relationship between the wholesaler and AGC. From now on, Furukawa said, the price will be determined "beforehand" on a "contractual basis." According to NIKKEI, the change in AGC's pricing system was prompted by criticism from the United States, which regarded the system as "not transparent," and of a desire by the company to boost profits.

Subsequently, according to the 27 May 1994 NIKKEI, AGC announced that it would raise prices of commercial sheet glass "for the first time in three years" by 7 to 8 percent to boost sagging profits. AGC believes that the higher prices will hold because it has discontinued the rebate system and "after-the-fact" price adjustment. Now, without discounts or rebates from AGC, distributors and glass traders are responsible for the final market price, and are likely to pass on the higher prices to consumers. According to NIKKEI, this will gradually eliminate "extremely" low market prices and boost AGC's bottom-line.

After having abolished volume rebates and changed its method for determining price, AGC has recently moved to "improve" its sheet glass distribution system and is proceeding with further rationalization (NIKKEI SANGYO 21 Jul 94). Specifically, the company will keep 100 percent ownership in its eight regional sales offices, and will strengthen their position as direct sales bases for end-users such as general contractors and sash makers. Regarding specified wholesale stores, AGC now plans to have only two categories of investment—either zero or 51 percent, except for some listed companies in which AGC holds stock only to earn dividends. The specified wholesale stores in which AGC will have a 51-percent investment, which is the minimum level to hold management rights, will be considered exclusive sales stores where AGC will control sales and price policies.

At the same time, according to NIKKEI SANGYO, AGC will gradually stop supporting the sales efforts of the majority of specified wholesales in which AGC has no capital relationship. Previously, AGC had personnel from the firm's eight regional branch offices perform sales activities for the specified agents. Instead, AGC will transfer about 200 management personnel from the main and branch offices to its sales subsidiaries and dedicated specified agency stores. With this move, AGC will simplify its distribution system while lowering operational expenses.

Greater Transparency, Lower Cost

On 19 August, the Japanese FTC issued a follow-up survey to last year's report on the sheet glass, auto, auto parts, and paper industries. According to the 20 August YOMIURI SHIMBUN, the FTC found that the problems in the sheet glass industry that contributed to market intransparency, such as the rebate system, have been "corrected" by AGC and the other major sheet glass makers. Consequently, the FTC said that future surveys "are not needed" as wholesaler firms are now "thoroughly free" to deal in other firms' glass. Now, according to 11 August 1994 YOMIURI SHIMBUN, "the sheet glass market is not closed."

AGC's reforms have reportedly resulted, not only in a reduction of government pressure, but also in a more competitive company. According to the 22 July 93 NIKKEI SANGYO, MITI's request to end the rebate system will have the "ironic effect" of strengthening AGC's monopoly. The paper stated that with the end of the rebate system, "only the strongest" of AGC's 158 wholesale firms "will survive." Consequently, with fewer but stronger wholesale firms, AGC's distribution and profit base will strengthen, thus "further enhancing the firm's competitiveness."

Furthermore, as reported by the 8 August NIKKAN KOGYO SHIMBUN, AGC's decision to rationalize its distribution system by transferring surplus personnel, strengthening its dedicated sales companies, and cutting off "superfluous" assistance to non-dedicated firms will leave AGC with a "stronger operational force."

Another consequence of AGC's reforms, however, is that the number of "non-aligned" designated wholesales stores that can deal in other firms' glass will increase. The 21 July 94 NIKKEI SANGYO noted that the majority of AGC's 158 specified agents will be "out from under the umbrella" of AGC and become "completely independent."

ANNEX

MAJOR PRODUCT LINES (NIKKEI COMPANY REPORTS)

Glass and construction materials: sheet glass, polished [ground] sheet glass, mirrors, automobile glass, television-tube glass, substrate glass for integrated circuit photomasks, glass fiber reinforced concrete, autoclaved lightweight concrete, etc.

Chemicals: soda ash, caustic ash, chlorine products, potassium products, fertilizer, sodium bicarbonate, polyoil, fluorine resin, freon, freon substitutes, chloromethane, ion exchanging film, etc.

Ceramics: engineering ceramics, high alumina brick, alumina cement, silica brick, chamotte brick, base brick, etc.

Electronics: integrated circuits, magnetic disks, optic fiber, glass substrate for liquid crystal, etc.

Other: discrete molds for fiber reinforced plastics, medical devices, etc. SALES COMPANIES (NIKKEI COMPANY REPORTS)

1. Tokyo, Chiyoda-ku
2. Osaka, Kita-ku
3. Fukuoka, Hakata-ku
4. Nagoya, Nakamura-ku
5. Sapporo, Chuo-ku
6. Sendai, Aobaku-ku
7. Hiroshima, Naka-ku
8. Kanto region; Tokyo, Chiyoda-ku FACTORIES (NIKKEI COMPANY REPORTS)

1. Kansai Factory, 449 employees, glass, etc
2. Kitakyushu Factory, 383, soda ash, etc
3. Kyohei [Tokyo-Yokohama] Factory, 1,311, glass, etc
4. Takasago Factory, 953, ceramics, etc
5. Chiba Factory, 653, soda ash, etc
6. Funabashi Factory, 955, television glass bulbs, etc
7. Aichi Factory, 1,296, glass, etc
8. Kagoshima Factory, 597, caustic soda, etc OVERSEAS HOLDINGS & VENTURES (TOYO KEIZAI SHIMPOSHA)

China:	Guangdong Float Glass Co.
	Dalian Float Glass Co.
	Beijing Asahi Glass Electronics Co.
Taiwan:	Pacific Glass Corp.
	Lim Shang Hang Temper-Safe Glass Factory Co.
Hong Kong:	Asahi Glass Hong Kong, Ltd.
Thailand:	THASCO Chemical Co.
	Thai-Asahi Glass Co.
	Thai Safety Glass Co.
	Siam Asahi Technoglass Co.
	Bangkok Float Glass Co.
	Thai Refined Salt Co.
	Thai-Asahi Electronic Devices Co.
Singapore:	Asahi TV-Glass Pte.
	AG Investment (Singapore) Pte.
	Asahi Techno Vision (Singapore) Pte.
	Asahi Allglass (Asia) Pte.
Malaysia:	MCIS Safety Glass Sdn,Bhd.
Philippines:	Republic-Asahi Glass Corp.
Indonesia:	P.T. Asahimas Flat Glass Co.
	P.T. Asahimas Subentra Chemical
India:	The Indo-Asahi Glass Co.
	Floatglass India Ltd.
England:	Act Tech (U.K.) Ltd.
Holland:	Maas Glas B.V.
	Asahi Glass Europe B.V.
	Bi-layer Development B.V.
	Glass International B.V.
Belgium	Glaverbel S.A.
	N.V. Euro Safety Glass S.A.
	Splintex S.A.
Canada:	Glaverbec. Inc.
United States:	AA Glass Corp., CA
	AMA Glass Corp., CA
	Dastek, Inc., CA
	Asahi Glass America Inc., NY
	AG Soda Corp., NY
	AP Technoglass Co., OH
	Belletech Corp., OH
	Corning Asahi Video Products Co., PA
	D & A Technology, Inc., TN
	AP Tenntech Corp., TN
	AFG Industries Inc., TX
	AP Technologies Corp.

CORPORATE & KEIRETSU CONNECTIONS (NIKKEI COMPANY REPORTS) Top Suppliers

1. Mitsubishi Corp.
2. Tostem Corp.
3. Kigunasu [phonetic] Oil Co.
4. Nippon Oil Co.
5. Mitsubishi Petrochemical Co.
6. Mitsubishi Oil Co. Top Customers (Sales)

1. Mitsubishi Corp.
2. Hitachi
3. Toyota Motor Corp.
4. Honda Motor Co.
5. Mitsubishi Motors Corp. Top Shareholders

1. Meiji Life Ins. (Mitsubishi Keiretsu)
2. Nippon Life Ins.
3. Dai-ichi Life Ins.
4. Mitsubishi Bank
5. Mitsubishi Trust Main Trading Banks

1. Mitsubishi Bank
2. Dai-ichi Kangyo
3. Fuji Bank
4. Mitsubishi Trust

Kobe Urged To Help Foreign Consulates Pay Rent

OW1609043994 Tokyo KYODO in English 0416 GMT 16 Sep 94

[Text] Kobe, Sept. 16 KYODO—The municipal government should subsidize the office rents of foreign consulates in Kobe to keep their numbers from dwindling further, a study group said Friday [16 September].

In 1959 there were 26 foreign consulates in the international port city but the number has since dropped to 15 after many countries, including the United States, France and India, moved their consulates to Osaka.

Nine of the consulates now in Kobe are those of Japanese honorary consuls.

The study group, set up last November, also proposed the construction of an international business building that could house foreign consulates and promote international exchange events between citizens and consulates.

The group, which includes representatives from the Hyogo Prefectural Government and Kobe Chamber of Commerce and Industry, also called for a shorter access time in reaching Kansai International Airport, inviting more foreign business enterprises and making the city more friendly to foreign residents.

The Kobe Municipal Government said it is ready to carry out these proposals.

But Peter Fahrenholz, consul for the German Consulate General in Kobe, said promoting exchange is much more important than subsidizing office costs. He criticized an absence of representatives of consulates from the study group.

Nissan, Toyota, Honda To Boost Output in U.S.

OW1509024894 Tokyo KYODO in English 0223 GMT 15 Sep 94

[Text] New York, Sept. 14 KYODO—Nissan Motor Co.'s U.S. unit is considering exporting the Sentra subcompact car made in Mexico to the United States starting next year, Nissan officials said Wednesday [14 September].

The move is intended to cope with the yen's unabated strength against the U.S. dollar, officials of Nissan Motor Corp. U.S.A. said.

Nissan would become the first Japanese automaker to export Mexican-made cars to the U.S.

The company plans to produce 100,000 Sentras, known in Japan as Sunny, at its plant in Aguascalientes some 500 kilometers north of Mexico City. Of these, 20,000 will be exported to the U.S., according to the officials.

So far, Nissan has assembled 150,000 Sentras a year at its factory in Smyrna, Tennessee, and exported 20,000 from Japan for sale in the U.S. market.

The surge of the yen, combined with the effectuation of the North American Free Trade Agreement last January, has prompted Nissan to consider exporting the subcompact car to the U.S.

Nissan officials said the company has no plans to expand its manufacturing plants in the U.S.

Meanwhile, Honda Motor Co. has decided to boost its North American production from the present 610,000 vehicles to 720,000.

Toyota Motor Corp., the industry leader, will raise North American output for 1996 by 50 percent from the present level in a move to avert the adverse effects of the yen's upswing.

Akashi Repeats Call for Tokyo To Join UNPROFOR

OW1409124394 Tokyo KYODO in English 1125 GMT 14 Sep 94

[Text] Tokyo, sept. 14 KYODO—Yasushi Akashi, head of the UN peacekeeping mission in the former Yugoslavia, repeated calls Wednesday [14 September] for Japan to participate in the UN operations there, Foreign Ministry officials said.

Akashi made the call in a 30-minute meeting with Foreign Minister Yohei Kono.

Akashi said there are calls within former Yugoslavia for countries with no historical ties in the region, such as Japan and China, to join the UN Protection Force (UNPROFOR) operations there, the officials said.

Akashi also called on Kono to visit and observe UNPROFOR activities firsthand, they said.

Kono reportedly replied that Japan has been making contributions to the region through such means as dispatching a diplomat to the UNPROFOR and officials to conference on Security and Cooperation in Europe (CSCE) missions to prevent conflicts.

However, he told Akashi he would like to consider what further contributions Japan can make, the officials said.

In a meeting with Prime Minister Tomiichi Murayama last week, Akashi urged Japan to join the UNPROFOR operations in Croatia and Macedonia, saying, unlike Bosnia-Herzegovina, they do not violate Japan's five conditions for participating in UN peacekeeping activities.

The conditions stipulate that a cease-fire must be in place and the warring sides must also have agreed to disarm before Japan will participate.

Murayama said he wants to consider Japan's personnel contributions by closely watching developments toward the achievement of peace in the region.

UN Official Interviewed on UNSC Seat Policy

OW1509141294 Tokyo NHK General Television Network in Japanese 1000 GMT 15 Sep 94

[Interview with Yasushi Akashi, head of the UNPROFOR, by an unidentified NHK reporter on 15 September; place not given—recorded; from the "NHK News 7" program]

[Text] Yasuhi Akashi, head of the UN peacekeeping mission in the former Yugoslavia, granted an interview to NHK today. Akashi is currently visiting Japan. During the interview, he referred to Japan's recently disclosed policy to become a permanent member of the UN Security Council [UNSC] on the condition that it does not participate in military activities that require use of force. He said this policy would win understanding of the international community. Akashi noted that he understood that the policy meant Tokyo would participate in military activities but not those that require the use of force. He added that peacekeeping activities did not require the use of force. He then said as follows:

[Begin Akashi recording; video shows Akashi sitting in room] Activities that require you to arm yourself with light weapons and play a role as a mediator will not entail the use of force. The same can be said even if military personnel participate in these. Such activities have nothing to do with Chapter VII of the UN Charter on activities for peace. Japan's stand is that it will seek a UNSC permanent seat on the condition that it participates only in such activities. I believe the international community will understand this stand." [end recording]

He also touched on the issue of Japan's freeze on participating in PKF, or peacekeeping force. He noted that if Japan lifts the ban, it would be able to promote its peacekeeping activities—which are currently limited to rear-echelon support—more positively. He added that this would be possible within the bounds of the Constitution. In this way, Akashi indicated that Japan should lift the ban.

Murayama Gives 'Clearer' Support

OW1609064094 Tokyo KYODO in English 0612 GMT 16 Sep 94

[Text] Tokyo, Sept. 16 KYODO—Prime Minister Tomiichi Murayama gave a clearer expression of support Friday [16 September] to Japan's bid to gain a permanent seat on the UN Security Council.

Speaking at a session of the House of Councillors Audit Committee, the prime minister said, "Japan should not hesitate at all if it can meet expectations from countries as a permanent member of the Security Council within the framework of its pacifist Constitution."

The prime minister said the United Nations should be restructured so it can function to resolve global issues. Murayama had expressed caution on the issue out of concern over Japan's military obligations should it become a permanent member of the council.

However, Murayama has recently shifted his stance on the issue from one of reluctance to support.

When Murayama visited four Southeast Asian countries in late August, Malaysian Prime Minister Mahathir bin Mohamed and Singaporean President Ong Teng Cheong expressed support for the bid.

Thai Prime Minister Chuan Likphai expressed his country's support in Tokyo in early September.

UN Secretary General Butrus Butrus-Ghali voiced support in Tokyo on Tuesday for Japan's permanent council membership with veto powers.

The UN chief also reiterated that Japan will not be obliged to participate in all peacekeeping operations even if it obtains the seat.

* Diplomacy Toward North Korea Discussed

942B0145A Tokyo SEKAI in Japanese Aug 94 pp 193-212

[Report by Haruki Wada, followed by discussion by Takeshi Igarashi, law professor at the University of Tokyo; Mikio Sumiya, former president of Tokyo Women's Christian University; Haruki Wada, professor at the University of Tokyo Social Science Research Institute; and Ryosuke Yasue, former SEKAI editor in chief—moderated by the SEKAI Editorial Department: "The Crisis on the Korean Peninsula and Japan—Japan Needs To Rid Itself of Last-Minute Diplomacy"; first paragraph is SEKAI introduction]

[Text] *It is more than one year since acute tension began to envelop the Korean peninsula due to North Korea's declaration of its withdrawal from the NPT (nuclear Non-Proliferation Treaty). In June, putting the IAEA (International Atomic Energy Agency) between them, the United States and North Korea continued to exchange bitter words, with the former acting as a central force loudly arguing for sanctions and the latter saying that "sanctions will be regarded as a declaration of war." It was in this month that North Korea suddenly began working to pull nuclear fuel from its experimental reactor, further keying up tension. Former U.S. President Carter's Pyongyang visit and talks with President Kim Il-song gave a sudden turn to the situation and brought about a revival of dialogue; yet the schematic of crisis itself remains unchanged. What kind of crisis is this? What is North Korea's aim? Where can we find the way for solution? What should Japan do now?*

(Report by Haruki Wada: "The Structure of the Crisis on the Korean Peninsula")

I think that the present critical situation has stemmed from three North Korean issues.

The first is the issue of nuclear power development. North Korea has thus far proceeded with its economic development with the idea that one's salvation should be worked out by one's own efforts. It has also dealt with its electric power issue with the same idea. North Korea was originally a place abounding in hydroelectric power generation, but finding that water-power generation was no longer enough to meet demand, it increased thermal-power generation. Its thermal-power generation, centered on the use of coal, has reached its uppermost limit. All oil is imported, and so it cannot realize oil-based thermal power generation, resulting in a situation where electricity is absolutely in short supply. Uranium ore occurs there, and so it began research on nuclear power early. However, the research has lagged decisively, compared with surrounding countries, because the research, too, has been conducted on the basis of self-reliance. Japan now has 47 atomic power plants, while the ROK has nine and Taiwan has six. However, North Korea has none at present. It has only one 5,000-kilowatt experimental reactor, which has begun to operate at long last.

In order to receive aid from the Soviet Union, North Korea joined the IAEA (International Atomic Energy Agency) in 1974 and the NPT (nuclear Non-Proliferation Treaty) in 1985 at the request of the Soviet Union when the two countries concluded an agreement on technical cooperation in building an atomic power plant. And beginning in 1985, North Korea appears to have endeavored to promote atomic power generation in some way, but then Soviet assistance came to a halt due to changes after 1989 such as the termination of the cold war and the collapse of the Soviet Union. A 50,000-kilowatt and a 200,000-kilowatt atomic power plant are now under construction, but it is questionable if the projects will go smoothly. The projects are open to question in terms of safety as well, because they are based on the technology of the Soviet Union which caused the Chernobyl mishap and also because they are conducted on the principle of self-reliant development. If an accident related to atomic power generation takes place in North Korea, it will have a terrible effect on Japan and the ROK. North Korea seems to have an urgent desire to promote atomic power generation through the introduction of outside technology, does it not? In this context as well, I believe that North Korea would like to shift to an international-level light-water reactor.

Aggravation of Post-Cold War Situation

The second is the security issue. According to *Military Balance* and other documents, North Korea is exceedingly powerful in its military strength and has an army of 1 million personnel. However, the quality of its weapons is low as military experts say. It also lags far behind in the wider use of electronic devices. It is believed that North Korea has overwhelmingly larger misgivings in the field of military power than the United States and the ROK.

What is more, the ROK and the Soviet Union established diplomatic relations in 1990. In the eyes of North Korea, this meant that it fell into a situation where it was no longer under the protection of the Soviet nuclear umbrella and, stripped naked, was facing U.S. nuclear weapons. When Soviet Foreign Minister Shevardnadze visited Pyongyang in September 1990 and notified it of the policy to establish diplomatic relations with the ROK, North Korea handed him a memorandum which said: "If the Soviet Union concludes diplomatic relations with South Korea (the ROK), the step itself will make the DPRK-USSR Treaty of Alliance exist only in name. In such a case, we will be compelled to work out measures to procure for our own sake some weapons which have thus far depended on our relations of alliance." ASAHI SHIMBUN reported in its 1 January 1991 issue that the Soviet Union had informed Japan that this statement implied a measure to develop nuclear weapons.

For 40 years after the Korean war, a political-military balance was maintained on the Korean peninsula in the form of confrontation between the ROK and North Korea, with the former allying with Japan and the United States, and the latter with the Soviet Union and China. However, with the end of the cold war, progress was made in which China and the Soviet Union established diplomatic relations with the ROK. Nevertheless, for North Korea, there was no reconciliation with the United States and Japan. In the eyes of North Korea, its isolation deepened and the situation worsened further.

To cope with the establishment of diplomatic relations between the ROK and the Soviet Union, North Korea ushered in the Kanemaru-Tanabe team to visit North Korea and decided to begin negotiations on establishing diplomatic relations with Japan. In addition, it began prime ministers' talks between the North and the South. I believe that it chose the path of seeking improvement in its relations with Japan and the ROK while continuing to maintain tension with the United States. Accordingly, North Korea is believed to have also researched the production of nuclear weapons.

However, the negotiations with Japan which began in 1991 got frustrated, first, due to the Japanese side's unpreparedness to liquidate its past colonial rule, and second, due to the downfall because of bribery in 1992 of Mr. Kanemaru, who acted as the promoter of the negotiations for Japan. At this point, North Korea shifted its position to carrying out negotiations with the United States, which was alleging the suspected nuclear development as true. Then came its March 1993 declaration that it would withdraw from the NPT. This is the course it took, is it not? It is believed that North Korea then moved toward improving relations with the United States, using the nuclear issue as its trump card. I think that North Korea has a very strong desire to improve relations with the United States.

North Korea's Three Options

Third, North Korea has the issue of its system. I just said that North Korea was in a grim situation internationally due to the end of the cold war. This end comes at the same time as the end of national socialism: each North Korean ally in the East camp met a downfall, and North Korea's relations with the Soviet Union, too, suffered a great change. Economically as well, things have become very difficult for it.

Also, in its competition with the ROK, the latter has opened up a decisively great lead over it, particularly since the latter half of the 1980's. In the fields of economic growth, political democracy, and international status as well, North Korea has been beaten up by the ROK, and simply saying that it was overtaken by the latter is short of describing our real feelings.

In order to extricate itself from this crisis, North Korea now has three options. One is to defend its solitary socialist base. For the time being, it appears officially to be taking this road, but if it chooses this road, there will be neither improvement in its economic condition nor progress on the issue of reunification. Another option is to improve relations with all countries at one sweep, but this is dangerous and impossible. The last option is to partially open its door and carry out partial reform primarily in the economic sector while keeping politics as it is as China does. This seems to be the only realistic alternative in a sense. However, unlike China, North Korea is a small country with a unitary system, and so it seems to be afraid that its ideals and system thus far upheld might become loose and that the system itself might collapse if it traverses the road taken by China. I think that these apprehensions are causing North Korea to act hesitantly, making its acts extremely hard to understand in our eyes.

National socialism cannot maintain its system unless there is always a confrontation with its enemy. North Korea will be thinking that it is dangerous to improve relations with all countries at once. China once reconciled with the United States while standing against the Soviet Union. Likewise, if North Korea wants to improve relations with the United States, I think it natural for North Korea to stand against Japan and to defer improving relations with Japan. At present, it makes efforts to improve relations with the United States, asking the latter to show a discreet attitude toward it, while hurling sharp criticisms against Japan. And at one time it called for the overthrow of the Kim Yong-sam government of the ROK. It is preposterous for North Korea to seek reconciliation with the United States and stand hostile to the ROK. Herein lies confusion.

Then, what is the U.S. goal in these negotiations? I think that, as the only superpower, the United States wants to persistently safeguard the NPT regime and take a stern attitude in dealing with anyone trying to destroy it. I think this is the way the United States is thinking. Of course, the United States will be ready to compromise in order to safeguard the NPT regime.

On the other hand, some quarters view that the military industry requires "threat." There is one more thing to mention: Within the military, there might be those who would like to psychologically compensate their memory of the Korean war, which ended in a very dishonorable way, by destroying the North Korean system.

The above is how I think about the schematism of crisis.

(Discussions)

North's Rhetoric and Tactics

[SEKAI] In June and July 1993, the United States held high-level official talks with North Korea, with which it had not had any negotiations until then. This measure is thought to represent a very large diplomatic concession; may we ask what fundamental policy the United States has in this regard?

[Igarashi] The Bush government put forth a plan called "the Northeast Asia Initiative (EASI)" in 1990. It is a plan for the U.S. Military withdrawal from Asia. Because a reduction of defense spending was an absolute requirement then, the military had to be withdrawn from Asia as well as from Europe.

The main pillar of this measure was the policy for a full withdrawal of U.S. troops in the ROK. The year 1992 was set as a target, and a decision was to be made regarding at what speed the withdrawal should be made. Worth our notice is the fact that the ROK Government, too, has agreed to this full withdrawal. The U.S. policy line is very clear in this respect, and I believe that the Clinton government does not differ very much on this point.

Behind this U.S. judgment were the sufficient attainment of the ROK's military modernization and the fine prospects for its ability to maintain armament capable of coping with the North in the future. In addition, I think that there was also the prospect of a reduction in the tension with the North amid diplomatic efforts, thanks to the ROK's implementation of its independent northern diplomacy.

However, the United States does not seem to have had very much desire or need to restore diplomatic relations with North Korea through direct negotiations. As to the U.S.-North Korea talks as well, I think that they have always been opened at the request of North Korea and through the U.S. acceptance, according to the actual processes thus far. Concerning the arguments about nuclear suspicions, the United States seemed to be saying that "if you, the North, would like to seek closer relations, you should seek it under conditions that we, the United States, want; otherwise, we will not respond," did it not? Of course, the nuclear nonproliferation issue is important, and so the United States showed the position that, unless North Korea cooperated properly with regard to the nuclear nonproliferation regime, the United States did not need to restore diplomatic relations with North Korea, much less give assistance. Was this not how the United States responded?

I think that U.S. responses since last year have come from anger at and repugnance against what we may call the "bad attitude" of North Korea and its adoption of a last-minute diplomacy despite the need to show a little meekness if it would like to improve diplomatic relations. In this respect, I think that the rhetoric and the tactics used by the North were very bad.

Journalism and the hawks within the United States reacted with immense repugnance against this, and the Clinton administration could not help taking a tough position, such as calling for sanctions. In its human rights diplomacy toward China as well, the Clinton administration has been driven into a situation where it cannot save face, and so, for its part, it may have no other way but to take such a tough position; yet, I think it goes a little too far.

[SEKAI] In order to find a breakthrough in the cold war situation, North Korea would like somehow to have negotiations with the United States, and to this end it is using the nuclear card. On the other hand, the United States wants to somehow safeguard the NPT regime. What you have said is that there is such a difference of goals. We think that this is the very reason why North Korea wanted to have direct negotiations with the United States and very much disliked having negotiations with the IAEA and the ROK.

[Sumiya] It seems certain that North Korea's utmost desire at present is to find a breakthrough in its relations with the United States. North Korea made negotiations with Japan only to find that Japan could not establish diplomatic relations with it after all as long as there was U.S. opposition. In the case of the ROK as well, negotiations also are affected by U.S. pressure. Despite considerable talks, the negotiations did not go well at the last stage. Considering all this, North Korea may have thought that it is impossible to make any moves under the current situation unless something is done about its relations with the United States.

However, one thing that I cannot understand well under the current situation is why the international community discusses the North Korean nuclear issue as extensively as this. To be sure, the United States wants to maintain the NPT regime somehow or other; however, on the other hand, it assumes a nonchalant attitude toward Israel and India, which have not joined the NPT. Therefore, the United States does not seem to be particularly persistent in pushing through such a principle. What is more, Israel is far more advanced technically. Now that relations with Russia have been severed, how much ability will North Korea have for nuclear development?

In this context, I have come to suspect that the United States might be seeking to drive North Korea into a tight corner on some pretext or other and expecting the North to surrender and capitulate.

One more thing that I do not understand is Japan's journalism. It raises a clamor about the gravity of the North Korean nuclear issue or its missiles and makes anti-North Korea reports which reflect the U.S. hawkish faction's hard-line stand just as it is. On the other hand, concerning the remarks by former Justice Minister Nagano, we see some editorials urging Japan to have a humbler attitude toward Asia or other editorials asking it to look at the North Korean nuclear issue more coolheadedly. We are under the impression that editorials and general news are very contradictory in the tone of argument. In what direction are all newspapers turning and what do they intend to say? The tide seems to be running somewhat toward the anti-North Korea hawkish stand, does it not? And this stand appears to be making Japan's public opinion.

Nuclear, U.S.-North Korea Normalization Issues Should Be Separated

[Yasue] The strange position shown by Japan's journalism on the Korean issue has persisted for a long time. The criticism is frequently heard that journalism's way of pursuing political situations has become very superficial in general. In addition, I think there are two things we have to consider with regard to information on the Korean issue in particular.

One is the fact that the Japanese people's distorted views of Korea are now intensively concentrated on the North Korean issue. This has been seen since the prewar period up until now. Concerning the recent chima-chogori [Korean women's skirt and jacket] incident, newspapers carried critical editorials, as was expected. Yet the self-criticism is still extremely faint that we have not yet cleared ourselves of such an incident despite the lapse of nearly 50 years since the ending of the colonial rule.

The other is the fact that in the course of our longtime observation of the democratization movement in the ROK, we find that there have been too many fabrications to enumerate in information involving North Korea and the ROK. And regarding information on the Korean issue, Japan's mass media almost entirely lack a verification process. Let me refer to information related to the ROK democratization movement. When handling a dubious piece of information, ROK newspapers begin, for example, with the phrase "according to information from Hong Kong." Japanese newspapers rephrase it with "according to such and such ROK newspaper." Then, ROK newspapers change the phrase again, beginning with "according to a commentary of such and such Japanese newspaper." The phrasing is thus expanded through repeated quotes. There were really many such articles.

As to the reports on the nuclear issue as well, as Mr. Sumiya said, they released reports in what may be called an offhand manner without verifying their accuracy. Of course, as Mr. Igarashi said, it is hard to understand the North Korean side's rhetoric and tactics. For the part of North Korea, it may have had good reasons for respective rhetorical expressions and tactics; however, viewing them with an unprejudiced eye, we find them hardly understandable in many respects. I think that all these things acted multiplicatively.

Well, Mr. Wada and Mr. Igarashi have mentioned both U.S. and North Korean factors causing the present crisis, and I think that you are both right in every respect. However, is that all there is to the root of the issue? Moreover, I feel somewhat uneasy that, while thinking light of the Korean issue on one hand, the U.S. side has, at times, shown too excessive a reaction to the issue.

As to the withdrawal of U.S. forces from East Asia as well, unlike the withdrawal of U.S. troops from the Philippines, a pullout of U.S. forces from the ROK has been the constant theme of persistent requests by North Korea, and has great significance for the Korean issue. U.S. politicians and diplomats who know the historical context must be aware of this. The United States should have given a certain message to North Korea on this matter, but it failed to do so. I think that this was because, as Mr. Igarashi just said, Washington did not think of the necessity of normalizing relations with North Korea.

Today's Korean question basically originates in Japan's colonial rule and has been shaped by the structure of the cold war in the Far East between the United States and the Soviet Union. Of course, there are issues between North and South Korean authorities, but the United States and the Soviet Union have great responsibilities from the viewpoint of global politics. After all, that the United States fails to attach importance to the necessity for normalizing diplomatic relations is itself a problem.

I think that both the United States and North Korea have thus far pursued their own different goals on different tracks through mutually discordant methods and, what is more, they have repeated brinksmanship-oriented power games. The United States would like to maintain the NPT regime and reconfirm the nuclear monopoly system. For the part of North Korea, it would like to open relations with the United States, pursue the open-door system little by little, and at the same time ensure the security of its nation and regime. It has used the nuclear card to this end. On the other hand, the United States has used the normalization of U.S.-North Korea relations, a task since the Korean war, as bait in pursuing its strategy on the nuclear issue.

As is seen in the above, the nuclear issue and the issue of normalizing U.S.-North Korea relations are indeed two different questions which do not have the same wavelength or character. These two issues have been interwound in the handling of the [Korean] question, and this is where the question's incomprehensibleness and danger have lain.

I visited Pyongyang and met President Kim Il-song and leading members there two and a half years ago. At that time, too, I candidly spoke of the disadvantage and the danger of using the nuclear card. In his answer to the point I made, President Kim Il-song said that I was right; however, in actuality North Korea wielded the nuclear card more and more strongly, thereby contrarily driving itself into a tight corner despite its achievement in negotiations with the United States.

There is a little difference between Mr. Wada's report and my views. I do not view that North Korea had given priority to the normalization of Japan-North Korea relations at a certain time, but that it shifted emphasis to U.S.-North Korea relations after Mr. Kanemaru's downfall. At least since the 1970's North Korea has consistently kept the normalization of U.S.-North Korea relations as its principal axis. I visited Pyongyang in 1972 for the first time and in 1976 for the second time. That was the time when the democratization movement was fiercely carried out in the ROK, and President Kim Il-song told me reflectively, "Mr. Yasue, reunification is indeed difficult." Explaining the reason, he said that, to that end, the masses in the North and in the South first should shake hands. Adding that this was still not enough, he noted the need for people in Asia and Japan to awaken. Furthermore, he repeatedly mentioned the question of the United States, saying that the American people should be awakened. He said the same thing when I visited the North later.

My remarks from now are based on my conjectures. North Korea's political orthodoxy has been formed through the history of the anti-Japanese struggle on the one hand and the opposition to today's U.S. imperialism on the other hand. However, sooner or later it must internationalize itself or open its door to the outside world. When that time comes, North Korea must change the two factors as well. The anti-Japanese struggle is a matter of history, and so a change of position regarding it is relatively easy. However, the anti-U.S. policy is a present matter, and so it is nothing strange to me if leaders in the North think that a complete change of this policy cannot be made unless under the strong Kim Il-song system.

Therefore, I think that North Korea has regarded the normalization of U.S.-North Korea relations as its principal axis and pursued the goal persistently. Nevertheless, if the U.S. side supposedly thinks lightly of this normalization, there must be a great gap between the two sides from the outset, and this may have accelerated the seriousness of the recent power games.

Moreover, North Korea has stated that, if the United Nations imposes sanctions, it will perceive the sanctions as a declaration of war. I do not agree with North Korea's idea, which rapidly aggravates further the problem. However, the Korean war ended with an armistice agreement with no further step taken, and troops then participated in the war as UN forces, although the United States was the center. Therefore, the terms "the United Nations" and "sanctions" sound considerably harsh to North Korea. This is also a point that should be considered.

The most critical thing is that not a single reliable channel of communications has thus far existed between the United States and North Korea. Former President Carter recently visited North Korea and opened a dialogue for the first time. I read the details of the press conference that Mr. Carter held upon returning to Seoul, and I was led to think that he had fairly deep-going talks because the two sides agreed to make concessions or assertions if need be and to indicate remaining issues as pending. How was this possible?

There are many reasons. In one aspect, both the United States and North Korea reached a deadlock in their power games and badly needed a way out of the predicament. However, at the same time, it should be noted that Mr. Carter was a man who made a commitment to the withdrawal of U.S. forces in the ROK when he ran for the presidency in 1976. After being elected, he actually began a reduction of forces. The military was vehemently opposed to this. As a result, he even fired Singlaub, then chief of staff of U.S. Forces in the ROK, to carry out the U.S. military withdrawal. On top of that, Mr. Carter faced the issue of the Iranian revolution. As a result, he was criticized as weak-kneed in diplomacy and suffered a really miserable defeat in the next election. However, in the eyes of North Korea, he is a man whose heart bled for the first time over the Korean question. As to U.S.-North Korea relations, I think it impossible to understand the present crisis and possibilities unless we see them a little more deeply and from various angles.

North Has Perception That War Is Continuing

[Igarashi] You just said that we had to understand things in the North, and I can see your point very clearly. However, at the same time, the North should understand that its own logic cannot necessarily be understood by the other side. I think that the failure to do so is the largest reason why the North is causing problems in international relations.

It is true that there are no relations of trust between the United States and North Korea. University of California professor emeritus Scalapino and others are making much efforts in this respect, but when I talk with Americans who have visited the North, I get the impression that none of them would like to speak favorably about the North. In the eyes of the Americans' common view, the country has nothing that makes them think it is a good country. And in terms of its conduct, the country is engaged in national terrorism and exports narcotics. It is thus carrying out no activity that deserves international praise.

In this sense, the country may arouse some compassion, but unless the country does praiseworthy things, it cannot create a relationship of trust with the United States. This is because the way the Japanese think of the Korean question is utterly different from the way the Americans do. If the North has talks with the Americans, it, after all, needs to use proper language and take steps to create relations of trust.

[Yasue]: I agree. However, it often happens that, after various contacts, both parties find that the contacts have produced unfavorable effects on both of them. And, from the perspective of international political order, I think it the rule of the 20th century that the superpower doffs its hat first and reconciles itself to a small country in a proper form.

[Wada] After all, according to its outlook on the world, North Korea views that the war is continuing or the war is to take place again. With regard to the Korean war, an armistice agreement was signed with a state of "cease-fire" left intact, but no peace treaty has yet been concluded. In June 1951, when the war was going on, Premier Kim Il-song went to the Soviet Union and met Stalin to decide whether to agree to a proposal for the armistice talks. At that time, Stalin asked him: "What on earth do you want, peace or an armistice?" Mr. Kim Il-song answered that "it is an armistice." An armistice is not peace. Since then, with a state of "cease-fire" left intact the war has been continuing, and North Korea fears the flame of war may flare up again. This is North Korea's situation.

The logic of the North is the logic of war, and its language is in essence a weapon, not a language of diplomacy. The remark that "Seoul will be made a sea of fire" must be understood in this context. This is a tragedy. Winding up the cold war, the world has already stepped into a new era, and all are speaking in a language of diplomacy; however, North Korea is conducting its diplomacy in a language of war. If the North fails to become aware of this discrepancy, it will be isolating itself completely.

There is a problem on the U.S. part as well. It has not, after all, made a postwar settlement with Vietnam. It ended the war and did nothing after that. Japan, too, has come into question because of its failure to liquidate its past war. The United States also has not made postwar settlements for both the Vietnam war and the Korean war. It is a problem if the United States intends to leave Korea even without concluding a peace treaty. I think that the postwar settlement with regard to the Korean war is a task of the American nation and people.

Why Does North Not Take Position of National Self-Determination

[Yasue] While discussing whether North Korea's outlook on the world and its rhetoric are hung up on war, we on the other hand should also take a serious view of the fact that the United States has thus far used Japan and the ROK military regime to besiege North Korea and has at times openly showed its hostile attitude toward North Korea. This is why North Korea has consistently insisted on Korea's national self-determination toward the United States and Japan. This is fully understandable when we take a look at Korea's history and nationalism.

However, I see a question arising rather herein. If it stands against the United States and Japan on the basis of its assertion of national self-determination, I think it should expand this basis further.

North Korea has used the nuclear card and made repeated remarks that it does not hesitate to go to war, but I wonder if it has been aware of how greatly these things adversely affect the supreme national task of reconciliation of South and North Korea. For North Korea, which is under a tight siege, it may have not had any other option, but in reality the option has demanded of it enormous sacrifices.

The democratization struggle fought within the ROK for 20-odd years has collapsed the domestic version of the cold war structure on its own. Why can North Korea not rate this great significance highly? The iron bars of the domestic version of the cold war structure have been removed by the ROK people themselves, not by outside forces. This is why the Kim Yong-sam government has been maintaining remarkable stability until today. This is where the ROK is very different from the former Yugoslavia.

If North Korea bases its position on nationalism, it—while strongly seeking the normalization of U.S.-North Korea relations—must on the other hand be able to make an unprecedented proposition regarding the North and the South, for example, a proposal on the solution of the separated families, must it not? Is it impossible for North Korea to connect itself with sammintu [Korean term meaning the three-min principle] which is based on minju [democracy], minjung [the masses], and minzok [the nation], and has been created amid a surge of the ROK democratization movement?

When the Kim Yong-sam government was formed early last year, President Kim Yong-sam himself said that, first of all, the North was our brother, and the North praised this remark very highly; however, some newspapers in the ROK were very reactionary and fiercely attacked the Kim Yong-sam government. Amid these developments, National Unification Minister Han Wansang, who had been picked for the post among from democratic forces, was dismissed, and the president backed down from his remark. However, North Korea capitalized on this event and severely criticized the Kim Yong-sam government. Such an act will easily arouse doubt in the ROK, particularly among its democratic forces, whether North Korea is seeking reunification of the North and the South in a real sense.

[Sumiya] North Korea has a tendency to judge democratization movements and political movements in other countries primarily on the basis of its own ideology.

When Kim Yong-sam and Kim Tae-chung vied with each other in the presidential election in 1987, the North said that "Kim Tae-chung is the very person on our side," and, contrary to its expectation, this weakened the support for Kim Tae-chung, leading to his defeat after all. I suppose that it did not mean to "make him lose" when it praised him (laughter); however, it has almost no competence nor training for making judgment as to what political effects its remarks will have.

To be sure, North Korea exercised diplomatic expediency to a considerable degree through the use of the nuclear card, but there are large limits to North Korea's international vision. This is because it has long been in closed circumstances.

A little while ago, there was a remark on the Korean war that Korea was still in a state of armistice. I went to North Korea six years ago from. I visited Panmunjom and found that those in its southern sector were all American soldiers, though it was natural to find North Korean soldiers in its northern sector. I saw not one ROK soldier. I do not know if things may have changed lately in this regard, but when I saw the scene then, I gave much thought to how I was ignorant.

The Japanese little know about the reality in which the North sees armed American soldiers right before its eyes. What is more, I suspect that the American people themselves do not know this reality. For North Korea, it is always amid military tensions.

On the other hand, the problem with the North Korean side is an ideology which regulates the North politically. When I went to the North, I clearly told it not to preach on chuche thought. This ideology undoubtedly exists strongly in the North, and it seems unwarranted to criticize the ideology politically from the outside. This ideology has a very great influence on actual political issues and the issue of North and South Korea. However, things will not go smoothly internationally for North Korea if it hangs onto this ideology. The people cannot speak freely toward the outside world, and within their country they can repeat only what the higher authorities have said; therefore, the bureaucratic system has now become a great problem there.

I think that the North has in fact backed into a very tight corner and that the North itself is aware of this fact. It lags far behind economically. When I went there six years ago, I saw the North Korean side admitting that it lagged far behind technologically. It was thinking that it had to introduce foreign technology after all. And people there said to me that, even if up-to-date advanced technology were brought in, they could not digest it and so would like to have technology used 10 years ago. The North was well aware of its great belatedness. Yet people there cannot say this openly because they will be severely punished if they do so. Therefore, they say something to the contrary, making very tough remarks. Privately, however, I think that they are aware that they have been driven into a tight corner.

[Yasue] It should rather be praised if it admitted its belatedness at that point. When Deng Xiaoping wielded the banner of modernization in 1978, he said that China lagged behind advanced countries by 50 years. People in China are now candidly talking about China's drawbacks and points at issue. At least it is certain that North Korea, too, intends to move step by step toward the Chinese mode, is it not?

Nuclear Question Merely Has Symbolic Meaning for North

[SEKAI] Is the nuclear development there really a threat to, for example, the United States and Japan?

[Igarashi] For two or three years after 1989, the ROK Government thought that it was possible to have a Germany-type merger after the North's collapse. However, after watching Germany, it decided that such a merger was hardly possible economically. It thus began thinking of coexistence.

The U.S. Government should have been able to respond also in accordance with such a change in the ROK; however, the United States underwent a change of government, and the Clinton government's Asian policy was basically ambiguous, so the North Korean issue could not become a priority task. The North seems to have become increasingly impatient and resorted to various tactics such as shock therapy. As for the United States, I think that, partly pressed by the impending NPT renewal issue, it also decided to make a straightforward approach at this juncture, pitting itself directly against the North.

As to whether it is a threat, if anything goes wrong with the nuclear nonproliferation system, it matters to the United States. The North is developing missiles and also intends to export them. Therefore, in some respects the United States is watching this move as a global threat. In this regard, it differs with Japan and the ROK, which understand the move as a regional problem. the United States does not care about past problems even if they exist, because it thinks that things will be resolved if measures are taken to prevent their future recurrence.

When there is systematized total distrust, negotiations are impossible unless accompanied with suppression and submission by force. However, when a certain degree of reliable relations are formed, it gives rise to the notion that efforts can well be made toward ending problems in the future. It will be all right to impose a certain amount of restraints [on the North] if not a complete halt. A complete halt can be imposed after reliable relations are built up. In this case, it will become necessary to extend various kinds of assistance and others to build reliable relations.

However, in coping with this issue, Japan and the ROK are now following the rationale that anything but a complete halt is perplexing. Therefore, when the United States relents and says that it will not take issue with what the North did in the past, the two countries in turn attempt to stem the move.

I believe that playing the nuclear card was a tactically poor step for the North. The image of nuclear arms is considerably different between North Korea and the international community. When the international community hears the term, it thinks of strategic nuclear weapons which are so dangerous as to destroy mankind, and so the international community has an established allergy to the term. Its sensitivity with regard to nuclear weapons is quite different from that of North Korea, India, or Israel which, are thinking of developing tactical nuclear weapons. Japan in particular shows tremendous opposition when simply hearing the word "nuclear" because it suffered from atomic bombing.

I think that it was wrong for the North to play the nuclear card as means of bargaining without understanding such sensitivity. It has led to a total loss of international trust.

[Wada] What do nuclear weapons mean for the North? There are arguments in Japan that the North intends to make nuclear weapons and export them. However, this does not mean that its products are of such high quality that they are salable to other countries. It has no ability to mass produce them, and above all, it even cannot test them. It is absolutely impossible to export them without being detected by monitoring satellites.

Or, if the North would like to use weapons to attack Japan, it can make the attack with conventional missiles because the coast of the Sea of Japan is full of nuclear power stations, including those in Mihama and Tsuruga. It does not particularly need nuclear warheads. Therefore, missiles are more threatening than visionary nuclear weapons.

In this context, even if North Korea actually produces nuclear arms, their possession is no more than a symbol of its opposition to U.S. nuclear arms. I think that the nuclear issue has now completely become a bargaining chip. Yet, in view of its continued statements against nuclear weapons under constant intimidation by U.S. nuclear weapons since the Korean war, North Korea's use of the nuclear card cannot but invite criticism after all.

[Yasue] North Korea joined the IAEA in 1974 and the NPT in 1985. On one hand, these moves were made to receive Soviet technological assistance. At the same time, I think that there was a political facet, too.

That is, 1974 was the time when the contradiction between the military regime and the democratization movement intensified in the ROK. It was the time when the image of the ROK fell internationally and that of North Korea rose relatively. North Korea caught this opportunity to join in international organizations one after another, such as the IPU (Interparliamentary Union), WHO (World Health Organization), and the Non-Aligned Nations Conference, and to internationalize itself. The year 1985, too, was a time when things became very difficult for the Chon Tu-hwan system with the forces for democracy vitalizing their movement again despite violent repression in the Kwangju incident. In February 1985, Mr. Kim Tae-chung dared to return from the United States in spite of the Chon Tu-hwan government's opposition, and opposition parties rapidly expanded its forces in the March National Assembly election. Seeing this situation, the North joined the NPT, and in my view it did so with the desire to use the card in negotiations with the United States.

[Wada] My view is different from Mr. Yasue's. I think it had nothing to do with the ROK situation.

Well, when the North declared its withdrawal from the NPT in March 1993, the step led to the holding of talks between the United States and North Korea, and in the talks the United States stated that it would not threaten with nuclear arms. Therefore, until that point the use of the nuclear card was completely successful.

[Yasue] With regard to the recent visit by Mr. Carter as well, North Korea might be thinking that it attained considerable success.

[Wada] However, its use represents last-minute tactics, and so it is a very dangerous way. I think that it should no longer use the nuclear card.

[Yasue] Certainly. The card has a head and tail, and at the moment it is used with success, it rather begets a difficulty. First of all, I feel it very regrettable that the North fails to push ahead with the easing of tension between the North and the South and uses this measure as a new card toward the United States and Japan.

U.S. Uses Sanction Theory for Bargaining

[SEKAI] We think that North Korea's nuclear card is dangerous, as pointed out. On the other hand, however, I think that the sanction theory on the part of the international community is also charged with considerable danger.

In Japan we hear people only talking about to what extent China will join in the sanctions and whether the sanctions will be effective, but it is somewhat doubtful up to this point that the United States really has a mind to take sanctions.

First, are there any grounds for sanctions? North Korea did not make any military invasion as Iraq did. The controversy is only as to whether the North will reject the NPT-based inspections, and so, if it secedes from the NPT, grounds for sanctions will disappear. On the other hand, if sanctions are sought on the grounds of nuclear development, then the NPT regime itself falls into crisis. This is because, in short, Israel, Pakistan, and India will never join in the regime. What do you think in this regard?

[Wada] I think that we will find serious problems when we carefully consider the grounds for sanctions.

Yet I think it funny for North Korea to be saying that economic sanctions will be regarded as a declaration of war. This is because sanctions were already applied to North Korea when the Korean Air Lines incident occurred.

However, ordinary economic sanctions will perhaps prove to be ineffective. If effectiveness is sought, I think that the sanctions will be applied in such a way that the North is compelled to raise a flag of surrender, that is, the sanctions will be aimed at crushing the system of the North. Logically, the measure is very close to a military attack.

There is one more thing to consider. In the case of economic sanctions, China will not join in the measure, and so Japan will be asked to participate. When Japan halts remittances from Japan and trade and business activities with the North, it will mean repression and oppression of North Korean residents in Japan. When economic sanctions are promoted, power will be exercised toward making it impossible for North Korean residents in Japan to engage in economic activities and maintain their livelihood in Japan.

From a historical perspective, Japan cannot allow this to happen, and at the same time such a development will expand and intensify confusion and confrontation in this region. Therefore, such a development utterly lacks reasonableness as a goal. I think that the United States is not aware of such a thing at all.

[Yasue] When I take a look at developments thus far, I am inclined to believe that the U.S. Government has no firm strategic confidence of success with regard to sanctions.

In this connection, I fear that ever since the Bush administration there has been no well-organized network of experts and solid information on East Asia in the United States.

[Igarashi] I think that sanctions are a kind of last-minute diplomacy. The sanctions card is used to give North Korea a practical image of what will happen in case of sanctions, and it is, so to speak, a bargaining chip.

The plan on checking the enemy in front of Seoul by U.S. and ROK forces and attaining reunification by force in the case of an attack by the North and the plan to curb remittances from Japan if economic sanctions are set are all signals sent out to the North. However, I think that these are rather excessive measures.

Let me mention what will actually come about. There has even appeared an argument that assistance is more effective than economic sanctions as announced on 14 June by Kimberly Elliott of the Institute for International Economics (IIE). I think that the United States is now in the process of coming back from the excessively strong views of the hawkish faction.

Why have there been hawkish views? It is because of Clinton. I think that things would be different if there were Bush. Clinton is being criticized that he is weak-kneed in his foreign policy. No forces went to Bosnia; they withdrew from Somalia; and his human rights diplomacy toward China also got frustrated. He is said to be an utter failure in the Asian policy. Unless one assumes a hawkish position toward North Korea, one is rated within the country as a person incompetent to carry out foreign policies.

Having no experts on East Asia is in fact a very serious problem. This problem already existed at the time of the Bush government. Winston Lord joined the Clinton administration as the State Department's assistant secretary, yet Asian policy is not going smoothly, and there are utterly no experts on Japan.

The Clinton government takes up and handles only issues called into question by journalism through precarious day-to-day management. It is said to have no ability to set up political tasks.

A security dialogue began at long last in ASEAN's regional forum in July; however, the dialogue was promoted on the grounds that post-U.S. withdrawal developments should be studied by Asian people themselves if the United States does not think of them.

Build Communication Channels Through Economic Cooperation

[Yasue] Even though North Korea certainly does not know any diplomatic courtesy or rhetoric, in dealing with the country, we should see it as it is from a little overall perspective. Particularly, in the uncalculated games of power, it is extremely dangerous to engage only in emotional arguments. Concerning the Korean question, I keenly feel the pettiness of the United States and Japan.

[Sumiya] The North has been isolated, and, as for its foreign trade, there is almost no trade with Russia. Its trade was not large from the outset, and so talking about a further blockade is meaningless unless China moves for it, is it not?

For example, suppose that an economic blockade is enforced against China, though this is a nearly impossible case. China will sustain a considerable blow. North Korea is originally a closed society, and so such a step will have no greater effect than stirring up international opinion, and I think that it will only dangerously touch off North Korea's reckless acts.

[Wada] I believe that North Korea will change if the United States does the following things: the United States opens diplomatic relations with Pyongyang and sets up its embassy; its newspaper companies and television stations place their branches there; the U.S. Embassy calls in people and let them hear of various things; and also the United States invites scholars and students to visit its country.

[Sumiya] I also think so. With an eye to dealing with the North economically, the United Nations Development Programme is working to build a free zone on the Tumen River. I think that the appearance of a bit freer areas like this will have considerable effect from the middle-term perspective.

[Yasue] Until immediately before Mr. Carter's visit, North Korea repeatedly said that there remained the "blanket settlement formula." I also think that world public opinion got the impression that what had been deemed to be a knotty problem came to an unexpectedly quick solution by Mr. Carter's visit. The view is believed to be strong that the nuclear issue and the U.S.-North Korea normalization talks should be handled separately and that this is the way to find a breakthrough in the nuclear issue. I think that from now on, it is absolutely necessary either to adopt what the North calls the blanket formula or, at least, not to give precedence to the nuclear issue.

By going a step farther than what Mr. Sumiya said, could we not think of economic relations a bit more? In our relations with China, the LT trade [Japan-China trade carried out before the normalization of their diplomatic relations in 1972; so called because the first trade memorandum was signed by Liao Chengzhi and Tatsunosuke Takasaki, then Chinese and Japanese trade representatives] at a stage preceding the normalization of Japan-China relations served very greatly in linking the two countries mentally, aside from trade amounts. There were then strongly reliable channels of communications such as Tatsunosuke Takasaki, Kenzo Matsumura, and Kaheita Okazaki, whose roles might be somewhat comparable to that of Mr. Carter. We must create many more channels to handle the issue of normalizing Japan-North Korea relations. It is the Japan side that is sabotaging this task.

Japan Should Produce Vision of East Asian Future

[SEKAI] Urged by the U.S. Government, which has no definite opinions as was just mentioned, the Japanese Government, which has even less definite opinions is calling for sanctions ahead of the former and carrying out follies such as the investigation of the Osaka and Kyoto branches of the General Association of Korean Residents in Japan [Chongnyon], the chima-chogori incident, and the forcible creation of misgivings and tensions among North Korean residents in Japan.

Japan-North Korea negotiations have remained frustrated since November 1992. However, will it be good for Japan to wait and drift along between the United States and North Korea until they end their talks? What should Japan do now?

[Wada] I think that North Korea's isolation is the greatest issue in terms of regional security. Japan has the task of working out its post-colonial rule settlements, and so I have long thought that Japan should first make apologies and open negotiations for the normalization of Japan-North Korea relations. I was very glad of the 1990 three-party joint statement [three parties—Japan's Liberal Democratic Party (LDP) and Social Democratic Party of Japan (SDPJ) and North Korea's Workers Party of Korea (WPK)] because I though it to promote the negotiations.

However, the Japanese Government, after all, was not prepared to liquidate past history. This means that relations were opened through the influence of Mr.

Kanemaru as head of the ruling party's largest faction, but that his influence failed to move the relations ahead. The situation then was such that once the United States signaled an order to stop, it immediately caused Japan to waver.

The negotiations for normalizing diplomatic relations remain frustrated, and I think that, even if Japan wants to move for the resumption of the negotiations at present, Japan still lacks relevant conditions and that North Korea, too, will not show much interest in the move for the time being. It seems that, first of all, Japan should at least pass at the Diet something like a resolution apologizing for its war and colonial rule, and also, regarding the postwar compensation issue, it needs to show the position of clearing off its liabilities to sufferers in the ROK as well.

What is possible now is, I believe, a blanket solution between the United States and North Korea. The question is how Japan can help this process. If the United States proposes to help shift to the light-water reactor with regard to nuclear power, Japan may well offer money. And before negotiations for diplomatic relations, I think it possible for Japan to begin economic exchanges to some extent in some form which could lead to talks on diplomatic relations.

There is one more thing I would like to mention. In order for the United States and North Korea to reach a compromise settlement, they inevitably require the ROK's participation in the settlement. In this sense, the armistice agreement on the Korean war must be turned into a peace treaty. If each of the four countries—the United States, China, the ROK, and North Korea—decides to conclude a peace treaty among themselves, Japan, while helping them implement the decision smoothly, should make domestic efforts to provide conditions for the resumption of negotiations for establishing diplomatic relations with the North.

[Sumiya] Christianity is very powerful in the ROK. Six years ago, strong Korean Christian churches declared that, using 1995 or the 50th anniversary of national liberation as momentum, they would realize peace and reunification, saying that they really did not know how to apologize to God for the split on the Korean peninsula and they would like to repent before God of their having hated the North.

I thought six years ago that they "made quite courageous remarks"; however, democratization has since made progress and the situation has rapidly changed, and I entertain expectations of them. Next year is the target year, and I am fully aware that it will be very hard to attain the goal that year, but in June this year a large church in Japan called in delegations from Christians in the North and from churches in the ROK for talks. It is necessary for us to keep in mind the existence of such a tide?

[Igarashi] I think that relations between Japan and North Korea should be viewed from the perspectives of at least three different timeframes. Talks should cover relations up till 50 years ago, relations today, and relations in the future. In talks, North Korea only brings up the relations of 50 years ago and relations of the next 50 years. Talks do not go smoothly when they intend to negotiate only on the basis of these relations. Negotiations based on the present point of time are impossible when the North only insists that "you did wrong 50 years ago," setting aside what it has done. I think that our side will feel like negotiating when the other side shows what its present situation is and in what manner it is going to cultivate its livelihood in the future.

For example, as to the light-water reactor in question, it should show why hydropower or thermal-power generation will not do. Japan has long extended ODA (Official Development Assistance) for countries to improve infrastructure for economic development. Apart from whether the present case with the North should be treated as an ODA case or a compensation case, I think that there is a way of cooperation under such a formula. The question is how to liquidate past problems and how to create reliable relations toward the future. This is a question of Japan and North Korea and at the same time a question of the East Asian framework which concerns how to build the region's security system toward the future. Therefore, Japan should produce a vision which shows that cooperation is also beneficial to the North. Unless negotiations are carried out in such a way, they will only become the scenes of confrontation and bickering.

The work of establishing the framework must be joined by the United States. The work also must be joined by Russia, China, and, of course, the ROK. First, unlike the time of the Korean war, the United States, China, and Russia no longer desire to go so far as to appeal to war and intervene on the issue of the Korean peninsula. They have a strong consciousness that it is really a plus for them to build common interest through economic development. Therefore, I believe that it is fully possible for Japan to produce a vision in this regard.

And it is clear how negotiations and talks conducted on the basis of North Korea's stand produce internationally unfavorable results, and so I think that we need to persuade North Korea to understand that it is equally important for North Korea as well to handle things in a way more acceptable internationally.

[Yasue] There is the need to do so at the level of negotiations. However, there are two problems when we view negotiations in terms of the negotiations' framework. One is the problem concerned with not only the matters of 50 years ago as just mentioned, but also concerned with the matters of 50 years ago plus what happened in the 50 years thereafter. This problem indicates why people, not only in the North but also in the South, have been viewing Japan with a strong sense of distrust. It is the question of what Japan has actively done in the last 50 years to carry out the large task of liquidating its past colonial era. Of course, it concluded the Japan-ROK treaty with the South and has rendered a lot of assistance to the ROK. Nevertheless, forces for democracy in the ROK are fiercely opposed to the Japan-ROK Treaty and are not grateful for economic assistance as well. In short, the postwar settlement called the Japan-ROK treaty and Japan's assistance have been carried out in compliance with the requirements of the U.S. cold war policy and have not reflected Japan's independent position at all.

About three years ago, when the No Tae-u regime was in power and the wartime comfort women issue, etc. were arising, a member of the ROK Government staff came to me and asked: "We would like to begin negotiations all over again to replace the 1965 Japan-ROK treaty, and if we make such an assertion, how will Japan's journalism react to it?" I replied that "it seems natural for you to feel like doing them all over again." There are various shortfalls in Article 2 and Article 3 of the basic treaty, and what is more, the then $500 million in grant and credit assistance was an amount decided after haggling in which Japan took mean advantage of the Pak regime's most helpless condition then.

Speaking in a more fundamental way, the Japanese Government did not use either the term "reparation" or "compensation" in liquidating its past colonial rule; instead, it used the term "the right of claim." By thinking that both sides have claims to make, the Japanese Government has continued to maintain that the colonial rule was legal though it had some problems. Japan still uses the term "the right of claim" also in its negotiations with North Korea for normalizing their relations.

This issue has not yet boiled down to anything, but when it boils down to something concrete, this issue will considerably irritate both the North and the South. North Korea will not accept the term "the right of claim." If the word "compensation" is used instead of "the right of claim," then, this time, the ROK will not remain silent. In this sense, the question of normalizing relations between Japan and North Korea is not only Japan's question but also the question of North and South Korea, and also the question of the entire Far East as well.

From such a viewpoint, I think that the Japanese side should see the ring of the verbal battle from a little wider perspective although negotiations might have their own rule. Like Mr. Wada, I also think that it is first impossible to unconditionally resume talks on normalizing Japan-North Korea relations in view of Japan's present domestic public opinion and political situation. On the other hand, the North, too, will show Japan a very stern attitude in view of its past strategy employed when it intended to bend on U.S.-North Korea talks. Nevertheless, the Japanese side, after all, should continue to raise its voice calling for the resumption of talks.

The other point is the need for Japan to further strengthen its assertions regarding North Korea's nuclear suspicion if it really intends to take issue with the suspicion. That is, in order to settle the Far East nuclear issue Japan should take the initiative in enacting three nonnuclear principles into law or stage an active campaign for turning the Far East into a nuclear-free zone and also an antinuclear peace movement which have recently been carried out extensively in the ROK as well. It is important to take such a position, is it not?

[Sumiya] When a minister happens to make a slip of the tongue, it results in a great stir in the entire political sector. This is because Japan's position is not founded on solid ground. When Japan has a firm position, even if a minister happens to make a strange remark, things will be settled by simply saying to the minister, "Please resign."

[Igarashi] Postwar diplomacy has been based on the notion that if Japan and United States are stable, then there can be no trouble. Therefore, we have often suffered U.S. interference on the issue of the Korean peninsula and on the issue of China. I think that Japan should have a vision of how to act if Japan-U.S. relations weaken or if the United States ceases to make active commitments.

As for the northern territories issue as well, Japan is thinking of the issue only in terms of Russo-Japanese relations. It doe not have any idea on how to handle security in this area. Things will not go smoothly by only thinking this way.

[Wada] I believe that the most important thing in Japan's position at present is, after all, the issue of North Korean residents in Japan. These people are living in exactly the same society as we are, and when economic sanctions are applied, they will first affect these people. Conversely, when we deal with the issue of North Korean residents in Japan properly, it will serve as the nicest message to North Korea. The United States, too, has agonized over the issue of minorities such as the blacks. I think that the United States will understand us if we persuasively tell it that Japan would like to treat this issue with care.

[Box, p. 195]

Major Moves in North Korean Nuclear Issue

December 1985: North Korea joins the NPT

November 1987: The Korean Air Lines incident

December 1987: Presidential election in the ROK (No Tae-u elected)

March 1989: At the Diet, Prime Minister Takeshita expresses regret to North Korea over the responsibility for the past war

October-November 1989: The so-called "pachinko [pinball game] suspicion" incident

February 1990: Japanese newspapers report the discovery of nuclear reprocessing facilities in Yongbyon through the analysis of satellite pictures

September 1990: North-South prime ministers' talks begin; Kanemaru, Tanabe visit to North Korea and the LDP-SDPJ-WPK joint statement; establishment of ROK-USSR diplomatic relations

January 1991: Japan and North Korea begin negotiations for normalizing diplomatic relations

September 1991: President Bush states that U.S. troops and tactical nuclear weapons in the ROK will be pulled out; North and South Korea join the United Nations simultaneously

December 1991: North and South Korea sign the "Agreement on Reconciliation and Nonaggression, Cooperation, and Exchanges" and the "Nonnuclear Joint Declaration"

January 1992: North Korea signs the safeguards agreement with the IAEA (the agreement takes effect in April and the initial report thereof is made in May)

May 1992: The IAEA begins special inspections (up to February 1993)

November 1992: Japan and North Korea suspend negotiations

February 1993: The IAEA Board of Governors adopts a resolution calling on North Korea to accept special inspections

March 1993: North Korea announces its withdrawal from the NPT

May 1993: UN Security Council adopts a resolution calling on North Korea to accept nuclear inspections and reconsider its NPT withdrawal

June 1993: First-round talks of high-ranking U.S.-North Korean officials; North Korea suspends its NPT withdrawal

July 1993: Second-round talks of high-ranking U.S.-North Korean officials

November 1993: The UN General Assembly adopts a resolution calling on North Korea to accept nuclear inspections; North Korea proposes the "blanket settlement formula" on the nuclear issue

January 1994: North Korea expresses to IAEA its readiness to accept inspections

February 1994: U.S.-North Korean working-level talks agree on inspecting seven facilities, halting U.S.-ROK military exercises, etc.

March 1994: The IAEA resumes inspections; after inspecting for two weeks, it states that "important inspections were rejected"; the IAEA Board of Governors adopts a resolution on entrusting the issue again to the Security Council; the Security Council adopts its president's statement calling for the acceptance of inspections

May 1994: North Korea proposes conducting the third round of U.S.-North Korean talks and additional inspections at the same time; without waiting for the IAEA inspectors' arrival, North Korea begins exchanging nuclear fuel at its experimental nuclear reactor

June 1994: The IAEA adopts a resolution on sanctions against North Korea; North Korea withdraws from the IAEA; the United States presents a five-item sanction plan to the Security Council; Carter visits North Korea; moves are made toward the three round of talks by high-ranking U.S.-North Korean officials and the North-South summit meeting

SDPJ Postpones Sending Delegation to DPRK

OW1509122294 Tokyo MAINICHI SHIMBUN in Japanese 15 Sep 94 Morning Edition p 2

[Text] Hajime Fukada, organization bureau chief of the Social Democratic Party of Japan [SDPJ] (and an upper house member) who visited the DPRK (North Korea) in early September, held a news conference in the Diet building on 14 September. During the news conference, he disclosed that the SDPJ would postpone the dispatch of its delegation to North Korea because it was not still clear when Secretary Kim Chong-il would be inaugurated as the state head and the general secretary of the Workers Party of Korea [WPK]. The SDPJ originally planned to send its delegation before the end of September.

According to Fukada, during his visit to North Korea, a senior WPK official delivered a message from Kim Chong-il saying: "I think you now know how deeply the North Korean people have felt sorrow over the death of President Kim Il-song. It is undesirable to hold a celebration at such a time." The official also said: "It has not been decided yet when the secretary would be named the state head and party general secretary."

Toyoda Voices Confidence in PRC's Reforms

OW1609081094 Tokyo KYODO in English 0658 GMT 16 Sep 94

[Text] Beijing, Sept. 16 KYODO—Soichiro Toyoda, chairman of Japan's Federation of Economic Organizations (Keidanren), says he is confident that China is making steady progress in market-oriented economic reforms.

The following are excerpts from an interview with Toyoda, who wound up a four-day visit here Friday as a participant in a 70- member business mission from the Japan-China Association of Economy and Trade.

Q. What is your impression of China?

A. I visited China about 20 years ago for the first time, and since then I've visited here several times and I've been surprised at Chinese development every time. My impression is that China is making further progress under the socialist market economy. This time we were given an explanation by Premier Li Peng and others about the state of the Chinese economy, so I was able to really feel that China is going ahead with market-oriented economic reforms in a bold manner. The shape of the socialist market economy is in sight. What is important is that the Chinese people support the socialist market economy.

Q. What is your view on the future of politics and economy in China?

A. The most serious economic challenge is how to keep inflation under control. China is moving to restrain investment and innovate the distribution system, so I had a feeling that the situation is moving in the right direction, although it would not get better quickly. I believe China's steady economic development will lead to stability in politics. I met Premier Li Peng for one hour, and he exudes health and self-confidence.

Q. The United States and Europe are stepping up their approach toward China, are there any influences on Sino-Japanese economic relations?

A. I was told of the recent visit by U.S. Commerce Secretary Ron Brown. I don't feel Japan lags behind the United States and Europe. Prospects for future development in the Asian market are great. Cooperative relations should be created in a balanced manner without leaving only Japan prominent.

Q. Is there a possibility of China allowing the entry of Japanese automakers ?

A. China is looking to nurture its parts industry, so right now we'll cooperate as much as possible in the field of parts.

Q. Could you speak of specific Japanese cooperation ?

A. In terms of volume, cooperation in the electricity and steel areas has been carried out to some extent, but at stake is the quality of cooperation. Environmental issues are increasingly becoming serious, so Japan will be giving priority to the environment in its cooperation.

PRC To Receive 65 Million Yen for Food Production

OW1609043894 Tokyo KYODO in English 0414 GMT 16 Sep 94

[Text] Tokyo, Sept. 16 KYODO—Japan will extend to China up to 65 million yen to help increase food production, the Foreign Ministry said Friday [16 September].

Japanese Ambassador to China Michihiko Kunihiro and Long Yongtu, China's assistant minister of foreign economic relations and trade formalized the aid package in Beijing on Friday, the ministry said.

The money will be used to purchase fertilizers, agricultural chemicals and equipment and transport vehicles to boost food production and distribution in Shandong and Anhui Provinces, it said.

* Japan-U.S.-China 'Triangle' Examined

942B0147A Tokyo SEKAI in Japanese Aug 94 pp 46-49

[Article by Ryosei Kokubu: "Delicate Japan-U.S.-China 'Triangle' Relationship; Meeting an Era of "New Open Door" Declaration"]

[Text] Today, the trinational relationship of Japan, the United States, and China is complexedly entwining the views, hopes, and concerns of each and creating a delicate triangle. This phenomenon became particularly striking with the collapse of the Cold War. Under Cold War conditions, the Japan-U.S., Japan-China, and U.S.-China binational ties advancing in positive directions and that also meant positive for the Japan-U.S.-China trinational relationship. In short, the binational relationships and trinational relationships basically were not contradictory. Why is that? Because in the background were the two following preconditions: 1) the presence of a common antagonistic target, the Soviet Union and 2) congruity between Japan and the United States in their evaluations of China—especially Japan-U.S. agreement on the point of supporting China's modernization course.

Deepening of Mutual Distrust

However, after the Cold War's collapse, first of all the common target disappeared—the Soviet Union—which was the foundation for the Japan-U.S.-China united front mentioned above. Because of this, little by little some disarray in the trinational unity began occurring. In the following, I wish to underscore this by specifically analyzing recent moves and ideas of Japan, the United States, and China.

Last year, the United States applied a variety of pressures, including demands for human rights improvements, so as to block Beijing hosting the Olympics in the year 2000. As a result, U.S.-China relations became quite strained. Yet, from about the time of the APEC (Asia Pacific Economic Cooperation) summit in Seattle November [1993], U.S. policies toward China began turning toward placation. In the United States, media commentary up to that stage, there were considerable venting of concerns that, by being overly pushy toward China, the United States risked being isolated in Asia in the future and that this was fostering anti-U.S. sentiments and raised the possibility that Japan and China would enter into a more strongly cooperative relationship. In the changes of course in U.S. policies toward China until very recently, there has been the perception of China and Japan's presence in Asia in 21st century that played an important role.

China's stance is also changing subtly. When U.S. pressure has grown stronger through its human rights diplomacy, China has on occasion put on a show of tilting toward Japan or leaned toward asking Japan to take the role of its bridge to the United States. On the other hand, China has twinges of uneasiness about Japan's "becoming a major political power" along with the expansion of its international contributions; and in China's understanding of "the Japan-U.S. security treaty as a framework for curbing Japan's becoming a major military power," it seems to have a tacit consensus with the United States.

Within Japan, too, there are discussions that may be taken as arguing for a Japan-China alliance, and Asianist commentary showing up in some quarters—all seeming to resist successive pressures for market opening which aim toward eliminating the U.S. side's trade deficits. Of course, these are not main currents in the media circles but can make one think that, in general, a consciousness of the United States and China is brewing that differs subtly from that of the Cold War era.

From my personal experience, there certainly is a strong tendency in conferences between Japan and the United States for China to be the target, at those between Japan and China for the United States to be the target, and at those between the United States and China for Japan to be the target. The speculation game between these three nations, which have lost their guideposts toward unity, raises the possibility of widening the mutual distrust there. To keep that from actually occurring, what is needed above all in the trinational Japan-U.S.-China relationship henceforth is for each to lay foundations for further development of their bilateral ties and, at the same time, with the aim of making their mutual communication smoother, to create as many forums as possible for consultation and debate among the three nations or multinationally, with north and south Korea and Southeast Asian nations included.

The "Greater China" Image

Also, in their evaluations of China—another of the preconditions mentioned above—subtle discrepancies have begun showing up between Japan and the United States. Needless to say, both Japan and the United States currently have a consensus on the matter of desiring China's stable development. Yet, a divergence, however slight, has begun to arise in regard to its specific content.

Of late, the United States very highly rates the chances for China's economic development but is growing somewhat warier of the reinforcement of its national power, including its military. In April 1993, the World Bank reported its forecast that by the year 2002, the economic strength of China, Hong Kong, and Taiwan combined may become the world's number-one economic power. Following upon this, in May the International Monetary Fund (IMF) published a report that when China's GNP is converted for purchasing power parity, it already is third in the world in real power and may overtake Japan within the next several years. Aside from whether this is true or not, one must not forget the political significance embodied in such reports, judging from their timing. Immediately thereafter in July, the Tokyo summit was held, and the theme when President Yeltsin was greeted as a special guest was aid to Russia. The main interest of the United States and the European nations was to have Japanese aid directed not to China that is "taking off" economically but to Russia which, although democratized, is struggling with developing a market economy.

Since last year. a "greater China" is being much touted in Europe and the United States. With an eye to the overseas Chinese network, including Hong Kong and Taiwan, as the driving force for China's economic development, they are forming an image in which the Asian world, moving toward the 21st century, may even become a "Chinese world." When this is tied into the previously noted bolstering of China's national strength including the military, it becomes associated mentally with the former "Empire of China." Naturally, China, forgetting the linkages of such an image, disavows any "greater China."

Such a U.S. image of China, in the odverse, became the trigger for planting in the business sector the sense that "we must not miss the bus" into the rapidly developing Chinese market. Substantially, this was also a major element of the context for the Clinton administration's recent policy of placating China. A case in which such impatience showed most plainly was with last May's decision to extend recognition of most favored nation [MFN] status. Previously Clinton had argued for tieing the matter of MFN extension to China's human rights problem, but in his decision to extend the recognition, he clearly declared that hereafter this would not be linked to MFN treatment. To be noted here is that the Clinton administration's new stance on China, which picked up on the business sector's "don't miss the bus," has the aspect of rivalry with Japanese and other nations' business with China. In other words, it seems that at the root of the U.S. fervor, there lurks somewhere in its consciousness the presence of Japan.

"New Open Door Policy" and Japan

This can be termed a "new open door" policy. That is, to trace back some 100 years to 1899, U.S. Secretary of State John Hay proclaimed an "open door," seeking certain restraints on the Great Powers' competition to win rights and interests from the Ching dynasty, and this was also an expression of the U.S. impatience over "missing the bus" in the Chinese market. Of course, international conditions and the state of the times are quite different; however, we must not forget, above all, the lessons of the history in which modern Japan's expansionist "Greater East Asia Coprosperity Sphere" collided with U.S. "open door" over China.

Japan's evaluation of China basically does not differ greatly from before. Japan still sees China as a developing country. To be sure, some people highly rate China's economic power, and others voice concern about its buildup of military power. Yet, the views in the mainstream are those focusing not on superficial economic growth but on problems of inadequacies in the infrastructure and growing economic disparities, and even see its military power as not as good as it seems. Thus, in Japan rather than people sounding off about a "greater China," those looking at increases in illegal immigrants and voicing concern about "dissolution" or "breakup" are somewhat more numerous.

The United States has separated MFN from "human rights," and that might be termed a separation of economics and politics. One must not also overlook this having the aspect of making it easier for the Clinton administration thereby to speak out more firmly on "human rights." If Clinton should hereafter needle China even more strongly about "human rights" and "democratization," how would Japan respond to that? When former Prime Minister Hosokawa visited China, Japan did not fully support U.S. human rights diplomacy as symbolized by his referring to differences between Asia and the West in their concerns about "human rights." There are apprehensions that hereafter subtle gaps will arise between Japan and the United States over this point.

For Sake of China's 'Soft Landing' on Democracy

So, subtle differences and a sense of rivalry exist at bottom between Japan and the United States over their evaluations of China. Needed here is not loud shouting but constructive thinking about how to keep the issue from being played up and how to minimize the issue when it has become highlighted. In this regard, too, there is a need hereafter to promote active dialogue between Japan and the United States on their evaluations of China. At the same time, as already stated, encouraging China's participation at times in such dialogue may be one way to keep needless speculation or suspicion from arising.

Frankly speaking, neither a "Chinese empire" nor a "dismembered China" would be a desirable scenario for either Japan or the world. China's making a stable, democratic soft landing is the joint hope of the world. Short of intervention in China's internal affairs to that end, other nations are certainly limited in what they can do. However, whether lateral aid or whatever, there is a number of things Japan can do. In the following I would like to wrap this up with a summary of my private views.

1. Facilitating China's participation in international systems and organizations. On this, the most important thing for now is for China to be a GATT member nation. At the present stage a delicate situation exists; however, China itself strongly wishes to join. Both to put China on track for conversion to a market economy and to get China's economy linked into the international economy, its participation should be promoted.

2. Aiding democratization from a long-term viewpoint. A simple human-rights diplomacy will only invite rejection. Considered in the longer term, there are many things that Japan can propose for China's democratization. For instance, establishing an electoral system, a welfare system, environmental issues, establishment of a legal system and its know-how to make them work, the functional preparation of bureaucratic organizations, effective administrative guidance, industrial policy, employment adjustments, managerial controls, labor relations, etc.

3. Setting up a mutual monitoring system on security. Starting with promoting a Japan-China mutual dialogue on security and encouraging the creation of a China version "defense white paper," elevating openness in China's military area. In such case, naturally, the Japanese side also would have to further increase its openness.

4. Amplifying and strengthening human and organizational networks. Speaking of China, Japan tends to look to Beijing whether it be the government or the private sector. Yet today's Chinese society is becoming ever more pluralistic as it moves ahead in converting to a market economy, and its regions are developing their respective individual character. With all this going on, there is a need to strengthen networks that previously were through Beijing, doing such things as linking them through to the provinces and making them more diversified and closer to the grassroots. Also related to this point, if we keep in mind that the students from China studying in Japan will become future bridges, we should bolster our support for them in a variety of ways.

Taiwan Official To Enter Despite PRC Objection

OW1509114394 Tokyo KYODO in English 1124 GMT 15 Sep 94

[Text] Tokyo, Sept. 15 KYODO—Japan will allow Taiwan's Deputy Premier Hsu Li-teh to enter Japan to attend the Hiroshima Asian Games set for Oct. 2-16 despite objection from China, government officials said Thursday [15 September].

A senior Foreign Ministry official said Hsu's planned visit is not for political activities and thus does not violate the spirit of the 1972 Japan-China joint declaration on the establishment of diplomatic relations.

China said earlier in the day that it cannot accept such a visit which it said "carries a clear political motive and is a deliberate attempt by the Taiwan authorities to create a political incident."

Foreign Ministry sources suggested China may have merely released its official opinion over the issue and Japan cannot accept everything said by China.

Japan switched diplomatic ties from Taipei to Beijing in 1972, and China has strongly protested to Tokyo over anything that might seem to acknowledge Taiwan as a sovereign nation.

Hsu has applied for an identification card from the Hiroshima Asian Games Organizing Committee as an official of a Taipei committee inviting the Asian games to Taiwan in 2002.

The Olympic Council of Asia on Monday retracted an invitation to Taiwan President Li Teng-hui to attend the games following Beijing's objections.

Igarashi Reassures Welcome

OW1609044794 Tokyo KYODO in English 0435 GMT 16 Sep 94

[Text] Tokyo, Sept. 16 KYODO—Japan will allow Taiwan's Deputy Premier Hsu Li-teh to visit the nation and attend the Hiroshima Asian Games despite China's objection, the chief government spokesman reaffirmed Friday [16 September].

Explaining Hsu's visit to Japan is not political, Chief Cabinet Secretary Kozo Igarashi told a news conference that the government's policy of having diplomatic relations with Beijing and not Taipei remains intact.

"The Japanese Government's position on the matter has not changed," he said.

Igarashi reiterated Hsu is coming to Japan to attend the games because Taiwan is the host of the 2002 Asian Games. Hsu is the chairman of the 2002 Asian Games Special Committee, a Taiwanese Government panel designed to ensure all Asian countries agree to the games being held in Taiwan.

Japan dropped its diplomatic ties with Taipei in favor of Beijing in 1972. China views Taiwan as a renegade province and does not recognize it as a national entity.

In the face of Beijing's stiff opposition to Taiwanese politicians attending the games, the Olympic Council of Asia earlier this week retracted its invitation to Taiwanese President Li Teng-hui.

Prime Minister Tomiichi Murayama echoed Igarashi's remarks later Friday, stressing that Hsu's visit "does not have political character."

"Based on the (1972) Sino-Japanese joint communique we hope to bring the Asian Games to a fine finish together with China," Murayama told reporters.

Accord on Antitrust Cooperation Reached With EU

OW1609013394 Tokyo KYODO in English 0017 GMT 16 Sep 94

[Text] Brussels, Sept. 16 KYODO—Japan and the European Union (EU) have agreed to promote cooperation in dealing with antitrust activities and investigations involving cross-border cases, Japanese officials said Thursday [15 September].

Wider-ranging cooperation is necessary to address the increasingly global nature of economic activities, the officials said.

The Japanese delegation, led by Fair Trade Commission Chairman Masami Kogayu, met here with EU Competition Commissioner Karel van Miert to review the two sides' antitrust laws.

Japan told the EU delegation it emphasizes the strict implementation of its antitrust law and the ongoing review of government regulations and existing systems which are outside the application of the law, they said.

The EU commended Japan for issuing antitrust guidelines to government officials on June 30 in an attempt to secure transparency, the officials said.

The two sides will hold a seminar on international competition and laws on Friday in Brussels.

French Premier Writes To Murayama on UX Selection

OW1509135694 Tokyo ASAHI SHIMBUN in Japanese 12 Sep 94 Morning Edition p 1

[Text] French Prime Minister Edouard Balladur wrote a personal letter to Prime Minister Tomiichi Murayama on the selection of the next multipurpose support aircraft (UX), which the Defense Agency [DA] plans to deploy in the next fiscal year. It was learned on 11 September that Balladur demanded in the letter "open competition" in the selection process. This was revealed by a high-ranking government official.

It is very unusual for the prime minister of a foreign country to send a personal letter to make demands on the selection of an aircraft. In the UX selection process, three models from the United States, France, and Canada are being considered. Although DA has made an informal decision to purchase the U.S. model, some cabinet members have questioned the "lack of transparency of the selection process," and this has suspended the final decisionmaking. The French prime minister's letter also indirectly questioned the selection process. There is an increasing demand in the government to deal with this matter prudently.

The UX's selection process formally started during the time of the old coalition government last May. The U.S. Gulfstream, the French Falcon, and the Canadian Challenger are being considered.

DA made an informal decision to choose the Gulfstream at the meeting of its counselors on 11 August, after the inauguration of the Murayama administration. However, on the next day, on 12 August, Home Affairs Minister Hiromu Nonaka and others said at a cabinet meeting that, "There are rumors that a decision has long been made to choose the U.S. aircraft. The UX's selection process started during the former administration. We need to be careful." The cabinet therefore deferred a decision on the matter. The ministers of foreign affairs and finance, the chief cabinet secretary, and the DA director general are still discussing ways to handle the issue.

For the above reason, DA has had to take the unusual step of making a request to purchase two aircraft at a cost of 7.2 billion yen in the FY95 budget without deciding on which model to actually buy.

The personal letter from Balladur was dated 22 August. It is seen to have been written in view of the moves in Japan favoring reconsideration.

In the letter, Balladur stated: "French aircraft can meet the strictest requirements of Japan," requesting the selection of the Falcon. He also said, "We hope this project will be conducted under open competition," indirectly touching on the lack of transparency and the closed nature of the selection process.

The reasons cited by the DA for favoring the Gulfstream include: 1) economy; 2) this is also used by the U.S. Forces, and is desirable from the point of view of inter-operability between Japan and the United States; and 3) this will contribute to correcting the Japan-U.S. trade imbalance.

However, at a very early stage, anonymous letters have already been circulating in the aviation industry, reporting "Gulfstream has been chosen," and insinuating involvement of politicians of the old ruling coalition parties.

A senior official of a DA internal division has also admitted, "If we stress inter-operability and scruples in dealing with the United States, we cannot help being charged of having decided on the U.S. aircraft from the very beginning."

On the other hand, DA denies any suspicions about the selection process. DA Director General Tokuichiro Tamazawa said, "We based our judgment on the performance of the aircraft, and selected through a proper procedure. There is no reason we should be criticized." DA has not given up its intention to formally decide on the Gulfstream.

Tokyo To Ask Zairian Help in Aiding Refugees

OW1409185194 Tokyo KYODO in English 1457 GMT 14 Sep 94

[Text] Tokyo, Sept. 14 KYODO—Japan plans to ask Zaire to help guard Self-Defense Forces (SDF) troops with the deployment of Zairian soldiers in assisting Rwandan refugees there, government sources said Wednesday [14 September].

The government expects Zairian soldiers to function as a "buffer" between Rwandan refugees and SDF personnel whenever SDF personnel carry out their duties, the sources said.

The government is considering providing supplies to the Zairian Army in return for the cooperation with the SDF mission, the sources said.

The government hopes the planned deployment of Zairian soldiers will help prevent possible trouble between SDF personnel and the refugees.

The sources added French troops in Zaire have secured their safety with the deployment of Zairian soldiers.

The Japanese Government formally approved plans to help Rwandan refugees by dispatching SDF personnel on their first overseas humanitarian mission since the end of World War II on Tuesday.

The Japanese mission will consist of 470 SDF troops armed with pistols and rifles and 10 liaison officials. One of the two armored command and communication vehicles will be fitted with a machine gun.

Opposition Camp To Select New-New Party Leader

OW1609095494 Tokyo NIHON KEIZAI SHIMBUN in Japanese 16 Sep 94 Morning Edition p 2

[Text] Who will be the "face" of the New-New Party [Shin Shinto]?—The opposition parties and groups, except the Japan Communist Party, are all maneuvering to select the leader of the New-New Party. While former Prime Minister Toshiki Kaifu, head of the Jiyu Kaikaku Rengo [Liberal Reform Alliance], who was the opposition's common candidate for prime minister last June, is seen as the favorite, there is also persistent sympathy for former Prime Minister Tsutomu Hata, who stepped down from power after only two months. Furthermore, younger members of the opposition have recently come out in favor of a popular election for a leader, as opposed to election by a consensus of party officials. Thus, the political parties' competition for leadership in managing the affairs of the New-New Party is intertwined with a generation gap among politicians. A resolution is not expected until immediately before the launching of the New-New Party.

After the opposition parties won a decisive victory in the House of Councillors by-election in Aichi Prefecture on 11 September, a senior Democratic Socialist Party [DSP] official murmured, "This means Mr. Kaifu is one step closer to becoming party leader." Kaifu presided over the election campaign in a contest where the local chapters of the ruling and opposition parties clashed head on. A senior Shinseito official said: "Nobody can argue against someone who won an election."

In addition to having been the opposition parties' candidate against Prime Minister Tomiichi Murayama in the last prime ministerial election, Kaifu's advantage lies in his two years and three months' experience as prime minister, and his record of having been elected [to the House of Representatives] 12 times, the highest record among opposition parties. He has even maintained his popularity in public opinion polls, and has been one of the top favorites to succeed Murayama.

Moreover, some people believe that if, after only two and a half months of being the unanimous opposition candidate, "he is discarded just like that, the Liberal Democratic Party [LDP] would say, 'Apparently, Kaifu was deceived by Ozawa (Shinseito Secretary General Ichiro Ozawa).'" (according to a senior Shinseito official) There is a gradually increasing tendency among senior opposition officials to accept "Kaifu's assumption of party leadership" as being inevitable.

However, it is also true that there are some opposition Diet members who are cold toward Kaifu and consider him an "outsider" because he left the LDP only recently. Moreover, there are 83 opposition Diet members serving their first term—nearly half of the total—who are not acquainted with the Kaifu administration. To the younger dietmen, Kaifu is a stranger. These dietmen have more of a sense of affinity toward Hata. Therefore, some younger legislators have come out in favor of Hata.

While the names of former Prime Minister Morihiro Hosokawa, leader of Japan New Party, DSP Chairman Takashi Yonezawa, and New Party Mirai leader Michihiko Kano have also been mentioned as possible candidates, they all have problems. In Hosokawa's case, his involvement with a loan of 100 million yen from Tokyo Sagawa Kyubin has not been completely cleared. Yonezawa's DSP image is too strong, while Kano's power base within the proposed New-New Party will be too weak with only five members under him, even if he does have a "fresh" image.

A senior Liberal Party official has asserted that an "election by consensus is a revival of LDP closed-door politics." As the selection process of the new party leader enters a critical stage, the proposal to choose the leader by popular election is rapidly gaining support. On 13 September, the "Alliance of Young Diet Members for the Creation of Responsible Politics" (consisting of dietmen serving their first, second, or third term) and the "Association of First-Term Diet Members To Promote Unification" (made up of dietmen serving their first term) adopted resolutions calling for the election of the party leader by Diet members.

If the selection of the leader is to be done by popular election, Shinseito, the biggest opposition party, will have an advantage. On the surface, this may seem to be a move to support Hata. However, the truth is: It is a maneuver aimed at obtaining the posts of "secretary general" and so forth in the new party. Among those favoring popular election are younger Diet members close to Ozawa. They are rumored by some to be a "task force" to "make Ozawa secretary general."

By advocating popular election, their strategy is to reaffirm their "numerical" strength through the election, gain an advantage in the new party's personnel matters, and to take the initiative in party appointments and management. In view of such maneuvering, Noda Takeshi, head of Koshi-kai, has proposed that "an organization similar to a corporate board of directors be created, and the right of representation be given to party leaders and others as directors." It seems that the tug-of-war among the opposition parties and groups is becoming more and more animated.

Party Heads Said To Decide on Tax Reform

OW1609044094 Tokyo KYODO in English 0421 GMT 16 Sep 94

[Text] Tokyo, Sept. 16 KYODO—A ruling three-party coalition policy panel decided Friday [16 September] to leave a final decision on a tax reform outline to a meeting of heads of the three governing coalition parties, panel officials said.

The panel made the decision in consultation with members of three project teams working on tax and administrative reform and social welfare issues.

The Liberal Democratic Party (LDP) and Social Democratic Party [of Japan] are partners in the coalition government together with an LDP splinter group, New Party Sakigake.

Opinions within the three parties still differ over a proposed increase in the consumption tax rate as well as its timing and the application of tax reductions, the officials said.

The SDP[J] in particular has previously opposed a hike in the consumption tax, now standing at 3 percent.

The party heads will base their final decision on a tax reform outline prepared by the coalition's tax reform committee.

The policy committee also decided that prior to the meeting of the party heads, secretarial-level party officials should also meet to coordinate their parties' approach to the issue.

The meeting of party heads is likely to take place Tuesday and the parties are aiming to coordinate their policy on tax reform by Monday.

As it now stands, the draft reform plan is a two-tier package which includes an increase in the consumption tax to 5 percent by 1996 in tandem with decreases in income tax.

The plan allows for overall tax reductions which would include a permanent tax reduction as a result of revising the graduated tax structure, and a reduction in proportional taxation similar to one carried out this year.

Reference to the rate of consumption tax would be included in a bill allowing for tax increases and the timing would be determined by administrative reform, social welfare policies and the state of the economy.

Tokyo Governor Wants Ishihara To Succeed Him

OW1509114694 Tokyo KYODO in English 1107 GMT 15 Sep 94

[Text] Tokyo, Sept. 15 KYODO—Tokyo Gov. Shunichi Suzuki said Thursday [15 September] he wants Deputy

Chief Cabinet Secretary Nobuo Ishihara to succeed him after his fourth term expires next spring.

The 83-year-old governor told a press conference he thinks Ishihara, 67, is an appropriate candidate as his successor in view of Ishihara's career and personality.

The remarks indicated Suzuki, who has served as Tokyo governor since 1979, will not run for a fifth term.

The governor, however, said it is just his "personal idea" and he has never asked Ishihara to run in the Tokyo gubernatorial election.

Commenting on the remarks, Ishihara said he has never heard about it from Suzuki and could not answer whether he would run for the Tokyo governorship if asked by Suzuki, saying he cannot answer a hypothetical question.

Chief Cabinet Secretary Kozo Igarashi said Ishihara is needed in the cabinet of Prime Minister Tomiichi Murayama.

Igarashi, the chief government spokesman, told reporters in Fukuoka that he has not heard anything from Ishihara about resigning as deputy chief cabinet secretary or running for the governorship.

Ishihara has served as deputy chief cabinet secretary for nearly seven years, under seven administrations.

Use of Recycled Cement, Concrete Material

942A0670A Tokyo NIKKEI SANGYO SHIMBUN in Japanese 1 Sep 94 p 18

[Text] Research on cement and concrete that is conscious of environment protection is becoming vigorous. While a major manufacturer has embarked on making serviceable a cement manufacturing method using waste materials as the raw material, the Cement Association and others have managed to develop a recycled concrete which can be reused many times. Domestic demand for cement is said to have peaked for a long time and a problem is surfacing that limestone, which is the raw material for cement, is being exhausted; however, attempts have begun to change to an environment industry which has a public benefit character.t

The recycled concrete was jointly developed by the Cement Association and Professor Fumitoshi Tomozawa of the Engineering Department, Tokyo University, aiming at creation of a cycle system where concrete is reused like steel and aluminum.

Concrete is created by a mixture such as gravel centering on cement, an aggregate such as sand and fly ash (coal ash coming from thermoelectric power plants), which extends the mixture and improves its durability. If recycled concrete uses limestone as the aggregate and if regular cement mixed with blast furnace slag is supplied as the raw material, the whole amount of the scrapped concrete can be thrown in a kiln as regenerated cement raw material.

Professor Tomozawa cites four problems in this development: 1) lack of disposal yards for scrapped concrete, 2) waste of limestone resources and destruction of nature due to development of limestone mines, 3) waste of aggregate resources, and 4) carbon dioxide emissions when manufacturing cement.

There are about 58 billion tons of limestone in underground deposits and 200 million tons are mined annually; there is no worry that it will be exhausted as a resource. However, mine development costs are increasing along with the rising trend for protection of nature, and development itself is becoming difficult.

The amount of scrapped concrete generated annually is 25 million tons, of which 40 percent is being reused as roadbed and other material. However, Professor Tomozawa predicts that, "Estimating from the amount of concrete input, 70 million tons of scrapped concrete will be generated in 1995 and 110 million tons in 2010."

However, there are many problems in creating a concrete recycling system. The durability of concrete structures extends from 50 to 100 years. Management over a long period of time will be necessary until the structures made with recycled concrete are demolished. Moreover, it will be necessary to mix in impurities not suitable to the cement raw material when manufacturing recycled concrete. An agency to manage these will be indispensable.

On the other hand, a method using city garbage in cement raw material is getting on track at the Tsukumi plant of Onoda Cement. Ishikawajima Harima Heavy Industries and Ebara Corp. are participating in a project entitled the "Cotrell process" centering on Tsukumi city. In the processing of garbage, an additive is put in after metal components are removed and it is made into a solid fuel by drying.

In test production so far, there has been no problem with quality and Tsukumi city plans to provide a full-scale garbage processing facility to process garbage for manufacturing cement during the next fiscal year.

Making cement raw material from city garbage is good news for local governments, which have a headache with waste disposal, but Onoda Cement explains, "The garbage of Tsukumi city with a population of 50,000 can just barely be processed by our company's largest Tsukumi plant with an annual capability of 4.47 million tons. With current technology, it will be difficult to make raw material out of the garbage of a large city."

The use of waste such as blast furnace slag, fly ash, and scrapped tires is now becoming universal. President Isami Akimoto of Mitsubishi Materials relates that "waste materials will be a resource so long as there is a desire to use them." The company is undertaking the manufacture of cement that uses in the raw material mixture diatomite that had previously been discarded after being used in filters at beer plants.

It is Mitsubishi Materials' view that, "rather than transporting limestone from a distance to plants close to big cities, it is more efficient to bring waste materials that can be used from nearby" (President Akimoto), and the plan is to proceed flexibly with diversification of raw materials.

The Ministry of International Trade and Industry is trying to find the future image of the cement industry in internationalization and making it a public service industry. Until now the coloring of national policy industries had been concentrated on basic materials, but since expansion of the domestic market cannot be expected, it will be necessary to reconstruct its mission as an industry. The development of cement and concrete using waste materials seems to be expanding.

North Korea

Official Warns of Possible Rupture in U.S. Talks

OW1609113194 Tokyo NIHON KEIZAI SHIMBUN in Japanese 16 Sep 94 Morning Edition p 6

[By correspondent Hideo Kawai]

[Text] Washington, 16 Sep—An official at the North Korean mission to the United Nations told NIHON KEIZAI SHIMBUN on 14 September that if the United States persisted in demanding special inspections of North Korean nuclear facilities as a prerequisite for its assistance in North Korea's shift from the graphite-moderated reactor to a light-water reactor, then North Korea would have no choice but to break off the high-level U.S.-North Korea talks and reverse the decision to freeze its nuclear development program.

The statement by the North Korean official, on the eve of another round of the high-level U.S.-North Korea talks scheduled for 23 September, is taken as Pyongyang's warning to the United States and severe criticism of its stand.

It has also become apparent that the atmosphere surrounding these high-level talks is changing subtly.

During his visit to Japan and South Korea, Ambassador Robert Gallucci made a statement to the effect that, "if North Korea refuses to allow special inspections, the United States will not supply it with the light-water reactor."

Reacting strongly to the statement, the North Korean official accused the United States of going along with South Korean demands that special inspections of North Korea's nuclear facilities be a prerequisite for assistance in North Korea's switch from the current graphite-moderated reactor to the light-water reactor.

The North Korean official also emphasized that if the United States took that stance, Pyongyang would have no choice but to go back to its starting point.

Joint Press Statement on North-U.S. Talks Noted

SK1609040794 Pyongyang KCNA in English 0402 GMT 16 Sep 94

[Text] Pyongyang, September 16 (KCNA)—A joint press statement on the DPRK-USA expert-level talks was published in Berlin on September 14, which reads in full:

The Democratic People's Republic of Korea (DPRK) and the United States of America (USA) held expert-level discussions in Berlin from September 10 to 14, 1994, in accordance with the agreed statement of the third round of DPRK-USA high-level talks.

Both sides discussed complex technical matters including the replacement of the DPRK's graphite-moderated program with LWR [light-water reactor] technology, the safe storage and disposition of the spent fuel, and provision of alternative energy.

The two sides held full and frank discussions, and agreed that the DPRK and the USA would discuss these issues further.

Both sides agreed to report the outcome of their discussion to their respective governments.

Radio Reports Joint Communique

SK1509224694 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 15 Sep 94

[Text of joint communique on the DPRK-U.S. expert-level meeting held in Berlin, issued on 14 September—read by announcer]

[Text] In accordance with the agreed statement of the third-round of high-level talks between the DPRK and the United States of America, expert-level negotiations were held in Berlin from September 10 to 14, 1994.

The two sides discussed complicated working-level matters, including the replacement of the DPRK's graphite-moderated program with light-water reactor technology, the safe storage and disposition of spent fuel, and a guarantee of alternative energy.

The two sides held comprehensive and frank discussions, and agreed that the DPRK and the U.S.A. will further discuss these issues in the future. The two sides agreed to report the outcome of their negotiations to their respective governments.

[Dated] 14 September, 1994, Berlin

Ministry: IAEA 'Hindering' North-U.S. Talks

SK1609111994 Pyongyang KCNA in English 1107 GMT 16 Sep 94

["IAEA Secretariat Must Stop Hindering DPRK-U.S. Talks, Foreign Ministry Spokesman"—KCNA headline]

[Text] Pyongyang, September 16 (KCNA)—A spokesman of the Foreign Ministry of the Democratic People's Republic of Korea answered a question put by KCNA today concerning the discussion of the "nuclear issue" of the DPRK at the September meeting of the Board of Governors of the International Atomic Energy Agency [IAEA].

He told KCNA:

It is reported that our "nuclear issue" along with other matters was discussed at the September meeting of the Board of Governors of the IAEA recently held in Vienna.

The mass media assess the meeting as a "stale meeting" which failed to adopt any "resolution" in face of the opposition of many countries to the discussion of the DPRK's "nuclear issue."

However, the director general of the IAEA in his "report" at the meeting called for a "special inspection" again, urging the DPRK to allow access to additional sites and information. And the president of the meeting in his "concluding speech" "appealed" to the DPRK to fully implement the safeguards agreement.

As for the "special inspection," we can never allow it because it is a wanton infringement on our sovereignty and part of the policy of stifling the DPRK.

By bringing forward the "special inspection" problem, the IAEA Secretariat intends to justify the partiality of the IAEA, continuously infringe on the sovereignty and security of the DPRK and bring the nuclear issue back to the original point of confrontation.

The nuclear issue has become so complicated as today entirely because the IAEA Secretariat unreasonably took issue with the DPRK at every meeting of the Board of Governors, extremely politicising its "nuclear issue."

At the June meeting of the Board of Governors, the IAEA Secretariat adopted an unreasonable resolution on "sanctions" against the DPRK over the nuclear issue. Is it entitled now to "blame" the DPRK over "special inspection" and "implementation of the safeguards agreement"?

We withdrew from the IAEA because we regard independence as our life and soul and did not want to allow the "special inspection."

Facts show that our "nuclear issue" can never be resolved by means of infringing on the sovereignty of the DPRK and stifling it, but only through the DPRK-U.S. talks.

The IAEA Secretariat must stop putting a spoke in the wheel of the DPRK-U.S. talks at a time when the DPRK and the United States have adopted an agreed statement and held expert-level discussions for its implementation.

If some quarters of the IAEA Secretariat, obsessed by the old mode of thinking, continue to resort to pressure with the international meeting and organisation as an expedient, the situation will be more complicated.

The dishonest forces must no longer lay obstacles in the way of a solution to the "nuclear issue" of the DPRK.

'Imperialist Tough Policy' Denounced

SK1609104294 Pyongyang KCNA in English 1018 GMT 16 Sep 94

["Failure of Imperialist Tough Policy Inevitable"—KCNA headline]

[Text] Pyongyang, September 16 (KCNA)—Failure of the imperialist tough policy is inevitable, stresses NODONG SINMUN in a signed article today.

The article says:

Proceeding from their vaulting desire to dominate the world, the imperialists are pursuing tough policy against other countries, styling themselves a "judge of the world" and "international police".

The imperialist tough policy finds expression in various forms, in imposing their will upon other countries at random and, if other countries get in wrong with them, putting pressure upon or threatening them and even making military intervention.

The tough policy of the imperialists is, in essence, a link in the chain of their aggressive external policy to dominate and control the progressive countries, the countries that do not follow them meekly.

The tough policy of the imperialists is failing, the article says, and goes on:

The days have already gone when some specified countries were engaged in such arbitrariness as dominating and subjugating other countries and threatening and putting pressure upon them in the international arena, dealing with the destiny of mankind and solution of international issue as they pleased.

The tough policy and blockade cannot work on anyone in the present-day international society in which all the countries and all the nations shape their destiny independently.

It is the trend of the time that the world people are advocating independence, peace and progress.

The imperialists persist in their tough policy, considering the strength almighty, but this does not mean their mightiness. Contrary to this, it only goes to reveal the vulnerability of them committing anachronistic acts, going against the international justice.

The imperialists should not go against the current of the time.

Introduction of U.S. Weapons Into ROK Decried

SK1609082094 Pyongyang Korean Central Broadcasting Network in Korean 1222 GMT 15 Sep 94

[Commentary by Yun Pyong-son: "The Weapons Buildup Maneuver To Harm Fellow Countrymen"]

[Text] The South Korean puppets are running amok in a weapons buildup maneuver to prepare for a northward invasion.

According to reports, the Kim Yong-sam group is maneuvering to bring in from the United States $115 million worth of military equipment, including spare parts for F-17 fighter planes and 1243 TOW anti-tank missiles to be loaded on assault helicopters.

Such a fact was revealed in a report submitted by the U.S. Defense Department to the U.S. Congress on 12 September.

The attempts by the South Korean puppets to bring in massive military equipment from the United States is an unpardonable criminal act that goes against the current trend and is leading the situation on the Korean peninsula to a more acute phase of anxiety.

As everyone knows, in accordance with the agreed statement announced at the third round of talks, sincere efforts have been made by the DPRK and the United States for the realization of the statement. In addition, at our initiative, the issue regarding the establishment of a new system to guarantee peace, which will replace the present unstable armistice system, is now a pressing one.

Such a positive development shows that the situation on the Korean peninsula is advancing toward detente and peace. Accordingly, there is no reason whatsoever for the South Korean puppets to bring in war equipment from the United States.

Nonetheless, the Kim Yong-sam clique is attempting to bring in massive war equipment from the United States. This is patent proof that the Kim Yong-sam group has yet to renounce its anachronistic showdown notion and that they are advancing down the road of war, opposing fellow countrymen.

The Kim Yong-sam puppets are talking about detente, peace, and so on with lips, however, in reality, they have not abandoned their wild dream to harm fellow countrymen in collaboration with outside forces. This can be clearly shown from the facts that the puppets have mapped out a new operation plan, a plan for a war of northward invasion; are madly staging war exercises to carry it into practice; and are trying to find an excuse to provoke a war by continuously perpetrating military provocations in the areas adjacent to the Military Demarcation Line.

This shows there is no change at all in the rascals adventurous war policy to invade our Republic. The puppets maneuver to bring in war equipment from the United States starts from such a war policy and is a downright challenge to reconciliation, detente, and peace.

The Kim Yong-sam clique's reckless weapons buildup is also a treacherous act of giving huge profits to U.S. weapons dealers. Ever since the Cold War era vanished from the international arena, weapons manufacturing businesses in the United States have been facing a financial crisis due to drop in sales. However, the puppets are carelessly spending money squeezed out of the people to purchase military equipment, giving fortunes to the U.S. weapons manufacturing businesses.

Not satisfied with the act of selling off the rice market to harm fellow countrymen, the Kim Yong-sam clique is even traveling the road of confrontation and war by giving undue profits to outside forces by introducing military equipment. The Kim Yong-sam group is indeed the most vicious war maniac.

It is not a coincidence that the South Korean people are rising up for the pan-national struggle by saying a war is sure to break out if Kim Yong-sam remains.

The fellow countrymen will never forgive the Kim Yong-sam treacherous group, which thinks nothing about national interests or about destiny, but only about pursuing its desire for power and their indolence, as well as attempting to befell the ravages of war on the head of fellow countrymen. The puppets are trying to realize its desire for the northward invasion with a weapons buildup and war commotions. However, this is a foolish daydream.

The weapons buildup maneuver will only bring the result of leading the situation on the Korean peninsula to a more acute phase of anxiety and deepening the North-South confrontation. The Kim Yong-sam puppet group should contemplate the evil effect that will be brought about by the weapons buildup maneuver and should not run about recklessly.

Democratic Front Letter on ROK-Type Reactors

SK1609111394 Pyongyang KCNA in English 1058 GMT 16 Sep 94

["Hanminjon on True Picture of 'South Korean-Type' Light Water Reactor"—KCNA headline]

[Text] Pyongyang, September 16 (KCNA)—The Central Committee of the South Korean National Democratic Front (Hanminjon) laid bare the true picture of "South Korean-type light water reactor (LWR)," the Seoul-based radio Voice of National Salvation reported.

The open letter issued on September 14 consists of "1. 'South Korean-type LWR' is a phantom," "2. Contractor of Uljin reactors Nos. 3 and 4 is U.S.," "3. 'South Korean-type LWR' is a useless antique" and "4. 'South Korean-type LWR' is political phraseology."

The open letter says:

When an agreement was reached on the provision of LWRs to the DPRK at the third round of talks between the DPRK and the United States, the Kim Yong-sam group of South Korea hurriedly put the label of "South Korean type" on light water reactors Nos. 3 and 4 which are now under construction in Uljin. They intend to use them as an expedient for blocking the implementation of the DPRK-U.S. agreed statement and obstructing the improvement of relations between the DPRK and the United States.

The Uljin reactors Nos. 3 and 4 which the Kim Yong-sam group labelled as "South Korean type" have not been developed as a new type. They are a mixed breed of old imported LWRs of various brands which have shown many shortcomings in their operation in South Korea.

The "South Korean-type LWR" is entirely based on a foreign design and depends on U.S. corporations in manufacture.

The technology of Uljin reactors Nos. 3 and 4 belongs to the United States. So, at the South Korea-U.S.-Japan "working consultation on the provision of LWR" held in Washington on June 30 and July 1, the U.S. side openly opposed the export of "South Korean-type" reactors, saying that there are many legal and technological limitations on the transfer of their technology.

Strictly speaking, Uljin reactors Nos. 3 and 4 are "U.S. type," not "South Korean type."

Therefore, order for and export of "South Korean-type LWR" are out of question.

The South Korean reactors in operation now are most backward in the world in economic advantages.

Because no end of accidents occur and the examination of their safety was made in disregard of the international standard, the LWRs of South Korean type now under construction are considered to be "a time bomb of another disaster" in view of their safety.

The South Korean authorities say Russia's LWR is "a sloven reactor" inferior in technology and safety. But Uljin reactors Nos. 3 and 4 are nothing but "antiques" which can hardly match Russia's in view of safety, economic advantages and technology.

The Kim Yong-sam group is motivated by a monstrous political intention in resorting to the intrigue of "provision of light water reactors to the North," hurriedly putting the label of "South Korean type" to Uljin reactors Nos. 3 and 4 which are expected to be completed at the end of this century.

As home and foreign media opined, the Kim Yong-sam group also seeks the sinister aim of securing "a channel of opening" to pull down socialism of the North with the issue of "South Korean-type LWR" as the political string.

The rulers' attempt to infiltrate into the North with other's technologies under the pretext of "provision of non-existent light water reactors of South Korean type" and disturb it from within is an extension of its treacheries to stifle the North with the help of others, while clamouring about the "nuclear issue" of the North. It can never evade public denunciation at home and abroad.

Dialogue Denounces ROK Over Nuclear Issue

SK1609093394 Pyongyang Korean Central Broadcasting Network in Korean 0248 GMT 16 Sep 94

[Dialogue between station reporters Chong Song-kang and Yi Im-sun: "Absurd Remarks by the South Korean Puppets Who Have Been Cornered"]

[Text] [Yi] How are you?

[Chong] How are you?

[Yi] Nowadays, the South Korean puppets feel very uneasy regarding the fact that they have been left out of the solution of the nuclear issue and that the implementation of the Korean-U.S. agreement has been on schedule. They are recklessly running amuck to belittle the meaning of the agreed statement, to block its implementation, and to break away from their predicament. In this hour, how about discussing this issue?

[Chong] All right. As the whole world knows, the agreed statement adopted between our Republic and the United States of America [mihapjungguk] on 12 August is arousing support and sympathy from the world's peace-loving people and a broad range of people with each passing day. In an unanimous voice, they highly evaluated the Korean-U.S. agreed statement as the new turning point in the improvement of Korean-U.S. relations; as an important breakthrough for Korean-U.S. relations; and as a giant step forward for the solution of the nuclear issue. They unanimously wish the statement to be implemented.

This notwithstanding, only the Kim Yong-sam puppet clique in South Korea is foolishly babbling to belittle, and to block the implementation and the significance of the Korean-U.S. agreed statement.

As has already been reported, at a so-called meeting of the Unification and Security Policy Coordination Council held recently and at a so-called news conference given by a guy called the South Korean ambassador to the United States [miguk] in Washington, the South Korean puppets clamored again that special inspections to delve into the suspicions of our past nuclear activities and the South-North [word indistinct] dialogue serve as preconditions for aid for a light-water reactor and the solution of the nuclear issue. On 30 August, a guy named Han Sung-chu, South Korea's foreign minister, babbled: Our basic position is that only the guarantee of the transparency of someone's past nuclear activities serves as the key to the solution of the nuclear issue.

On the next day, 31 August, at a so-called meeting of the Democratic Liberal Party Executive Committee, a guy named Yi Hong- ku, South Korea's puppet minister of national unification, made nonsensical remarks that he would dare (?arbitrate) the implementation of the agreement and the normalization of relations between us and the United States.

[Yi] Some time later, on 5 September, the puppet traitor Kim Yong-sam staged a farce of hastily dispatching a guy named Han Sung- chu to the United States with a view to moderating the pace of the improvement of relations between Korea and the United States on condition of the resumption of the South-North dialogue and the special inspections, while (?evaluating) the agreed statement between Korea and the United States.

As regards this farce of the puppet traitor, even the Christian Broadcasting Station of South Korea reported that the purpose of Han Sung-chu's junket to the United States was to ask the United States, which is running ahead without any consideration of the South Korean position, to slow down the pace of the (?improvement of relations) by considering their situation. The radio commented that the diplomatic capability of the authorities would be tested again.

[Chong] The Kim Yong-sam puppets, who have no idea of in what way the parties concerned [tangsajadul] are conducting the talks and in what way the parties concerned will put the agreement into effect, are getting nervous and frolicking. This is enough to make a cat laugh in the literal meaning of the proverb. How can we call these guys, who are recklessly making unbecoming remarks, human beings with normal thinking power and intellect?

As colonial stooges with no political view and independence, and with no power and capability, the guys cannot participate in the dialogue for the solution of the nuclear issue. They are making preposterous remarks as if they were spokesmen for a party to the dialogue [taehwa ilbang]. This is really ridiculous and absurd.

The latest agreed statement between Korea and the United States made clear the final destination [chongchakjom], which we and the United States—that are in abnormal relations—should reach, thereby opening the vista to reach an agreement on it, solve the nuclear issue, and improve relations between Korea and the United States.

[Yi] You are right. In the Korean-U.S. agreed statement issued recently, the United States [miguk] guaranteed to supply a light-water reactor, and said it would make compensation [posang] in tandem with our freezing [tonggyol] the graphite- moderated reactors.

We expressed our intention to freeze the graphite-moderated reactors, the foundation of the self-reliant nuclear power industry. This was the expression of our firm position toward the solution of the nuclear issue.

In the latest agreement, as a measure to normalize Korean-U.S. relations, the United States will remove the nuclear threat against us and end its policy of hostility; and the two sides will establish diplomatic missions [woegyo taepyobu] and ease the barrier [changbyok] of trade and investments.

[Chong] You are right. As we talked before, the latest Korean-U.S. agreement adopted is an important document, which is a significant turning point in solving the nuclear issue on the Korean peninsula at its root through dialogue and normalizing Korean-U.S. relations. Therefore, the world is supporting it.

In this regard, we cannot but say this is a farce staged by only those—who are trying to tear down the tower that has been set up elaborately by the other fellow—who can recklessly babble about the Korean-U.S. agreed statement.

No matter how busily they are making desperate efforts, the Kim Yong-sam puppets cannot block the progress of the Korean-U.S. talks aimed at implementing the agreed statement.

No matter how vicious the Kim Yong-sam puppets of South Korea and the (?outside forces advocating a northward invasion) are, in accordance with an agreement, a working-level contact was made in (?New York) on 25 August to discuss the work of replacing our graphite-moderated atomic reactor with technology for a light-water reactor, compensations for [word indistinct], and experts' negotiations to open liaison offices. In this connection, on 10 September, Korean-U.S. expert-level negotiations were held in Pyongyang to discuss establishing liaison offices and in Berlin to discuss supplying a light-water reactor and compensation.

In other words, this proves that the Korean-U.S. agreement has already entered into the stage of implementation, does it not?

This notwithstanding, the South Korean puppets are babbling about the question of delving into the (?suspicions) of our past nuclear activities and special inspections [tukbyol sachal]. This fully exposes their inner thought to pour cold water upon the implementation of the Korean-U.S. agreed statement.

Clearly, the parties concerned with the question of solving the nuclear issue on the Korean peninsula are we and the United States.

[Yi] That is right. At the moment, if we take a look at the preposterous remarks [chugyondul] made by the South Korean puppets, we can say that they cannot find where they should stand.

In the previous period, too, the South Korean puppets put the brakes on the Korean-U.S. talks at every stage. While recklessly running amuck, they very much disgraced themselves every time, did they not?

To cite one or two instances, the rascals cooked up and spread the rumor that the North possessed five nuclear bombs [haekpoktan tasotgae], also on the eve of the third round of the Korean-U.S. talks. In the face of world opinion questioning if the rumor had basis, they had to (?disgrace themselves).

They made a big fuss by dispatching the so-called nuclear ambassador, who was not invited, to Geneva, the site of the talks. However, when the (?excellent) Korean-U.S. agreed statement was issued, they again had the experience of a dog pursuing a hen looking up to the roof where the latter jumped.

[Chong] That is right. As has been seen, their attempt to block the implementation of the Korean-U.S. agreement is just like inviting a disaster [hwarul chonghanungotgwa tarulba opnungossimnida].

No matter how preposterously the South Korean puppets are trying to obstruct the solution of the nuclear issue on the Korean peninsula, no one will sympathize with this and the Korean-U.S. agreed statement will be implemented.

On 1 September, it is said that KBS-1 radio of South Korea quoted one official from the U.S side as saying that it was necessary for South Korea to work out in the future the policy toward North Korea and the United States on the basis of admitting the reality that U.S.-North relations will progress whether South Korea likes it or not.

The Kim Yong-sam puppet clique is babbling about the question of delving into the so-called (?threat) of our past nuclear activities and special inspections with the purpose to find an excuse to accelerate its nuclear development and block the progress of Korean- U.S. relations. In order not to disgrace itself again in broad daylight, the clique should stop such a nonsensical act.

The people of the whole world, as well as the 70 million Korean countrymen in the North, South, and overseas, have branded the Kim Yong-sam puppet clique as a group of [words indistinct] because of the (?heinous) criminal acts committed by the clique in July and August.

Clearly, the Kim Yong-sam puppet clique, a group of the filth [omul] of the nation and the human rubbish, should stop its vicious act of trying to shamelessly (?block) the progress of Korean-U.S. relations, while being ignorant of where the clique is standing.

Even though the Kim Yong-sam puppet clique is recklessly running amuck to block the solution of the nuclear issue on the Korean peninsula, the Korean-U.S. agreed statement will be implemented in conformity with the demands of history and of the times.

[Yi] Yes. Shall we close our program here?

ROK 'Puppets' Fire Machine Guns in DMZ

SK1609042394 Pyongyang KCNA in English 0417 GMT 16 Sep 94

[Text] Pyongyang, September 16 (KCNA)—Armed bandits of the South Korean puppet army took a position in the Demilitarized Zone [DMZ] southeast of the Panmunjom area in the western sector of the front and fired more than 80 large-calibre machine-gun bullets at random on September 14, according to military sources.

On the same day, armed bandits who crawled into the DMZ east of Ipo-ri, Kumgang County, in the eastern sector of the front incited a war atmosphere, madly firing more than 30 machine-gun bullets.

On the 13th and 14th of September the South Korean puppets introduced more than 40 military vehicles carrying large quantities of combat equipment and military supplies into a MP [Military Police] post near Chawon-ri, Pyonggang County.

If the Kim Yong-sam fascist clique dare provoke the North, bringing the situation in the DMZ to the extreme pitch of strain in defiance of our repeated warnings, they will face a miserable destruction.

Arms Buildup by Kim Yong-sam Group Criticized

SK1609044194 Pyongyang KCNA in English 0434 GMT 16 Sep 94

[Text] Pyongyang, September 16 (KCNA)—The Kim Yong-sam group has decided to introduce U.S.-made military hardware including parts of the F-16 and other types of fighter planes, the vertical- launching guided missile system for destroyers of the navy and the anti-tank missile TOW [tube-launched optically-tracked wire- guided] for Cobra attack helicopters worth for more than one hundred million dollars.

Commenting on this, a NODONG SINMUN analyst today says the arms buildup of the South Korean puppets is designed to attack the compatriots in the North and to batten the U.S. war industry complexes which are facing insolvency with their market closed after the end of the Cold War.

He continues:

The arms buildup in South Korea is entailing grave consequences, increasing the tension and the danger of war on the Korean peninsula.

It also augments the tax burden on the South Korean people and makes it harder for them to eke out a living.

The nation can be safe only when the Kim Yong-sam traitor clique benefiting outside forces at the expense of the fellow countrymen is overthrown.

Liaison Committee Issues Reunification Bulletin

SK1609101994 Pyongyang KCNA in English 1012 GMT 16 Sep 94

[Text] Pyongyang, September 16 (KCNA)—The International Liaison Committee for Reunification and Peace in Korea printed the September issue of bulletin on September 6.

The bulletin in an article headlined "Warm Congratulations to the Korean People on National Day" said that the founding of the Democratic People's Republic of Korea is a brilliant fruition of the long struggle of President Kim Il-song to set up a genuine people's power.

The DPRK is now imposingly standing as a bulwark of socialism, a fortress of justice, progress and peace, adhering to the line of independence, self-sustenance and self-reliance in defence under the tested guidance of His Excellency the great leader Kim Chong-il, the bulletin pointed out.

The bulletin in an article entitled "The Fifth Pan-National Rally Separately Held in Pyongyang, Seoul and Tokyo" noted that the International Liaison Committee for Reunification and Peace in Korea extended firm solidarity to the struggle of all Korean compatriots in the North and the South and overseas who have risen up to achieve national unity and the cause of national reunification, transcending difference in political views and religious belief. [words indistinct]

The International Liaison Committee calls upon all the progressive forces to actively conduct the activities of creating public opinion urging the United States to sincerely implement the agreed statement and intensify the international solidarity movement to open a favourable phase for the cause of Korea's reunification, said the bulletin.

'Lie' That North Refused Postal Exchanges Noted

SK1609051794 Pyongyang KCNA in English 0506 GMT 16 Sep 94

[Text] Pyongyang, September 16 (KCNA)—The traitor Kim Yong-sam, when he met with the director general of the Universal Postal Union recently, told the lie that the North was to blame for the failure of postal exchange between the North and South.

Noting that postal exchange has not yet been realised between the North and South until this date entirely because of the anti- communist confrontation policy of the South Korean authorities, a NODONG SINMUN analyst today says:

The notorious "National Security Law" [NSL] used by the Kim Yong-sam clique as a tool of maintenance of power is an anti- national fascist law previously unknown, which defines fellow countrymen as the "enemy"; it is the chief obstacle to travel and all material exchanges including correspondence between the North and South.

Only recently, the Kim Yong-sam clique brutally suppressed many people of all walks of life who attempted to pay a mourning visit to the North, sent messages of mourning and expressed condolences over the misfortune of the fellow countrymen and savagely cracked down on the South side promotion headquarters of the Pan-National Rally and members of the National Alliance of Youth and Students for the Country's Reunification who had exchanged letters and had telephone dialogue with fellow countrymen in the North.

It was none other than the South Korean authorities who intercepted the letters sent by the North to South Korean personages of various circles, carrying important proposals for great national unity and reunification of the country.

For the traitor Kim Yong-sam to shift on to the North the blame for the absense of postal exchange after blocking all the inter- Korean relations, is a shameless act of a guilty party filing the suit first.

The analyst further says:

If the traitor Kim Yong-sam is really interested in a solution to the humanitarian issue, he should not groundlessly slander the other, but renounce the anti-communist confrontation policy, scrap the "NSL" antagonizing fellow countrymen and send back to the North the unconverted long-term prisoners detained unreasonably.

The people will never pardon the traitor Kim Yong-sam who tries to win popularity while provoking the other, failing to do what he should.

U.S. Group Denounces Kim Yong-sam 'Suppression'

SK1609112194 Pyongyang KCNA in English 1008 GMT 16 Sep 94

[Text] Pyongyang, September 16 (KCNA)—The U.S. headquarters of the National Alliance for the Country's Reunification (Pomminnyon) released a statement on September 6 denouncing the traitor Kim Yong-sam for his frantic suppression of patriotic democratic forces under the "new security-oriented rule".

Noting that a "new security-oriented rule" was established in South Korea on the initiative of the authorities and an unheard of whirlwind of suppression was blowing after the great President Kim Il-song passed away, the statement says this brought to light the anti-national nature of the "civilian government".

The traitor Kim Yong-sam cracked down upon the pan-national reunification festival in Seoul at the point of the bayonet and turned the festival place into a pandemonium reminding us of the Kwangju bloodbath in 1980, the statement says, and stresses: This clearly proves that the traitor's "unification policy" is anti-national, anti-popular and anti-reunification.

The statement strongly demands that the traitor Kim Yong-sam abolish the "National Security Law" and immediately set free all the pro-reunification patriotic figures.

Japan Warned Against Meddling in Nuclear Issue

SK1609050294 Pyongyang KCNA in English 0449 GMT 16 Sep 94

["Japan Must Not Interfere in Nuclear Issue of Korean Peninsula"—KCNA headline]

[Text] Pyongyang, September 16 (KCNA)—The Japanese authorities are setting the "clarification" of the "past nuclear suspicion" against the DPRK and the permission of "special inspections" of military sites as "preconditions" for the provision of light water reactors.

Commenting on this, a MINJU CHOSON analyst today says:

The "preconditions" urged by the Japanese authorities are a sophism that does not hold water and works on no one.

A horizon is open for a smooth solution of the "nuclear issue," one of the key points in a smooth solution to the abnormal relations between the DPRK and the United States which have lasted for nearly half a century. At this moment, Japan, far from doing things helpful to it, is demanding the "clarification" of "past nuclear suspicion." This is a folly going against the demand of the time and the desire of the people.

In persistently crying over the "nuclear suspicion" against the DPRK, the Japanese authorities seek to frustrate the solution of the nuclear issue on the Korean peninsula and justify their own scheme of nuclear armament under the pretext of the "nuclear threat" from it.

Japan has made all preparations and secured all potentialities for her nuclear armament.

The nuclear issue on the Korean peninsula is a matter to be resolved through dialogue between the DPRK and the United States. Japan is not entitled to meddle in it. The DPRK and the United States, the parties concerned, will resolve the issue satisfactorily, even if Japan do not take a hand in it.

The Japanese authorities must behave properly, lending an ear to the unanimous voice of the broad world public that the international community should denounce the forces creating difficulties in the way of the DPRK-U.S. talks.

Envoy Pays Farewell Call on Indonesian President

SK1609062994 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 12 Sep 94

[Text] Han Pong-ha, our country's ambassador to Indonesia, paid a farewell call on Indonesian President Suharto on 8 September.

In the meeting, the ambassador conveyed greetings from the dear leader Comrade Kim Chong-il to President Suharto. The president expressed deep gratitude for this, and asked the ambassador to convey his greetings to the dear leader Comrade Kim Chong-il.

The president went on to say: His excellency President Kim Il- song's lifetime wishes were all for the prosperity of Korea and greater happiness of the Korean People. I firmly believe his excellency Kim Chong-il will wisely lead the Korean people, and thus realize his excellency President Kim Il-song's lifetime wish without fail. I also believe that under the wise leadership of his excellency Kim Chong-il, the Korean people will unfailingly resolve issues of regional stability, including the nuclear issue, on the Korean peninsula.

Indonesia hopes the nuclear issue on the Korean peninsula will be resolved at the earliest possible date and South-South cooperation will by actively realized, as well as cooperation among developing countries and member countries of the nonaligned movement. We hope the cooperative and friendly relations between the two countries of Indonesia and Korea will further develop.

Hwang Chang-yop Meets Spanish Communist Delegates

SK1609042094 Pyongyang KCNA in English 0414 GMT 16 Sep 94

[Text] Pyongyang, September 16 (KCNA)—Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea [WPK], Thursday [15 September] met and conversed in a friendly atmosphere with the delegation of the Spanish Communist Party headed by Antonio Joaquin Dolera Lopez [spelling of name as received], member of the Federal Committee and general secretary of the Murcia Regional Committee of the Party.

Yim Sun-pil, vice-director of a department of the WPK Central Committee, was present.

The head of the delegation once again expressed deep condolences on the death of the great leader Comrade Kim Il-song.

He conveyed to the dear leader Comrade Kim Chong-il greetings from the Federal Committee of the Spanish Communist Party.

He said Korea owes all its achievements to the wise guidance of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il.

Papers Observe Mexican Independence Anniversary

SK1609112794 Pyongyang KCNA in English 1020 GMT 16 Sep 94

[Text] Pyongyang, September 16 (KCNA)—Papers here today dedicate articles to the 184th anniversary of the independence of the United States of Mexico.

NODONG SINMUN in a signed article says that in foreign relations, Mexico maintains non-interference in the internal affairs of others, right to self-determination and the principle of peaceful settlement of disputes and develops the cooperative relations with Latin American countries. The Mexican Government is calling for nuclear disarmament in the international arena. Korea and Mexico established diplomatic relations at ambassadorial level in September 1980.

The author of a MINJU CHOSON article says the Korean people believe that the friendly and cooperative relations between the two countries will grow stronger and develop in the future in accordance with the idea of independence, peace and friendship and wish the Mexican people more fresh success in the efforts for building a new society.

Madagascar-Korea Friendship Association Formed

SK1609042894 Pyongyang KCNA in English 0423 GMT 16 Sep 94

[Text] Pyongyang, September 16 (KCNA)—The Madagascar-Korea Friendship Association was formed on September 6 on the occasion of the 46th founding anniversary of the Democratic People's Republic of Korea.

Speaking at the inaugural meeting, Jean Eugene [spelling of name as received], deputy speaker of the parliament of Madagascar, said that the DPRK achieved prosperity under the wise guidance of the great leader President Kim Il-song and has now turned into a powerful socialist country under the wise guidance of his excellency the dear leader Kim Chong-il.

The chairman, honorary chairman and secretary general of the association were elected and its rules adopted at the meeting.

The meeting adopted a congratulatory message to Comrade Kim Chong-il.

Tanzanian Prime Minister Visits Sea Barrage

SK1609042694 Pyongyang KCNA in English 0421 GMT 16 Sep 94

[Text] Pyongyang, September 16 (KCNA)—John Samuel Malecela, prime minister and first vice-president of the United Republic of Tanzania, on an official goodwill visit to Korea and his entourage saw the West Sea barrage and toured other places on September 15.

On the observatory of the West Sea barrage, the guests enjoyed a bird's-eye view of the large man-made lake and facilities of the barrage. They were told that the Korean people under the wise guidance of the Workers' Party of Korea built the barrage of world standard in a short span of time.

After visiting it, the Tanzanian prime minister and first vice- president wrote in the visitor's book:

"The visit convinced us that the people, led by a great leader, can do any thing by their own strength, if they are determined.

"All the achievements made by the Korean people in the revolution and construction are entirely the results of the wise guidance of the great leader President Kim Il-song.

"We hope that the Korean people will register greater achievements in socialist construction under the guidance of the dear leader Comrade Kim Chong-il."

On the same day, the guests went round the Taean Heavy Machine Complex, the Mangyongdae School Children's Palace and Pyongyang Metro.

They were accompanied by Vice-premier Kong Chin-thae and officials concerned.

Bangladesh Government Economic Delegation Departs

SK1609065594 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 13 Sep 94

[Text] A Bangladesh Government economic delegation headed by A.H.M. Mufazzal Karim, a secretary of the Ministry of Commerce, departed Pyongyang by air on 13 September.

Cho Won-myong, vice chairman of the State External Economic Affairs Commission, saw the delegation off at the airport.

Yi Chong-ok Meets With New Thai Ambassador

SK1609112894 Pyongyang KCNA in English 1059 GMT 16 Sep 94

[Text] Pyongyang, September 16 (KCNA)—Sawanit Kongsiri, new Thai ambassador to Korea, today presented his credentials to Vice-President Yi Chong-ok at the Mansudae Assembly Hall.

Vice-Minister of Foreign Affairs Song Ho-kyong was present.

Yi Chong-ok had a talk with the ambassador after receiving credentials.

Foreign Minister Meets New Envoy

SK1509221794 Pyongyang KCNA in English 1504 GMT 15 Sep 94

[Text] Pyongyang, September 15 (KCNA)—Kim Yong-nam, vice-premier and foreign minister, today met and had a talk with Sawanit Kongsiri, new Thai ambassador to Korea, when the latter paid a courtesy call on him.

Officials at Symposium on Kim Chong-il's Work

SK1609101494 Pyongyang KCNA in English 1004 GMT 16 Sep 94

[Text] Pyongyang, September 16 (KCNA)—A symposium of officials in charge of cultural preservation was held here on Thursday on the lapse of 30 years after the publication of the dear leader Comrade Kim Chong-il's famous work "On strengthening the party's guidance over the preservation of historical relics and remains".

Present at the symposium were Choe Tae-pok, alternate member of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea, and officials concerned.

The speakers said the work published by Comrade Kim Chong-il on September 16, 1964, is a highly important work that gives profound scientific and theoretical answers to the principled questions arising in the work to carry through our party's policy of conserving culture and gives a comprehensive exposition of the concrete ways of properly preserving and managing the historical relics and remains.

They noted that because it expounds that the relics and remains are precious object materials showing the history of the country and the nation and an important means for making the people true patriots with high national pride and fervent love for the country, the work serves as a mighty weapon which makes it possible to build socialist national culture and dynamically push ahead with the revolution and construction from the chuche-based stand.

They spoke of the achievements made in the work of conserving the relics and remains including the survey and unearthing of many historical relics in Mt. Taesong and other places around Pyongyang by conducting the work through the mass movement and enhancing the sense of responsibility and role of the officials in this domain as taught by the dear leader.

Foreign Media Lauds 'Greatness' of Kim Chong-il

SK1609045894 Pyongyang KCNA in English 0444 GMT 16 Sep 94

[Text] Pyongyang, September 16 (KCNA)—Foreign media published articles lauding the greatness of the dear leader Comrade Kim Chong-il.

The Indian paper INDIAN TIMES carried an article headlined "Inheritance of Revolutionary Cause Is Guaranteed by Comrade Kim Chong-il Who Enjoys Absolute Trust of Korean People".

Noting that the question of inheritance of leadership has been completely solved in Korea, the article said:

All the affairs of the party, the state and the army are going well and socialist construction is successfully progressing under the wise guidance of the dear leader Comrade Kim Chong-il.

Comrade Kim Chong-il enjoys absolute trust of the people.

The Korean people regard it as their great pride to make revolution under the guidance of the dear leader along the road of revolution hewn by the great leader President Kim Il-song.

Dear Comrade Kim Chong-il, like President Kim Il-song, is an outstanding thinker and theoretician, a great statesman, a military strategist and a genuine leader of the people who is unfailingly faithful to his country.

Burundi Television aired a special program showing Comrade Kim Chong-il guiding revolution and construction in various fields including his on-the-spot guidance to industrial establishments and city construction of Pyongyang.

It said:

President Kim Il-song's politics centering on the popular masses is now being creditably carried forward by Comrade Kim Chong-il.

The question of the inheritance of leadership, the most important issue in the inheritance of the revolutionary cause, was successfully solved already long ago in Korea with dear Comrade Kim Chong-il acclaimed at the head of the party, the state and the army.

Comrade Kim Chong-il has turned the whole country into a society overflowing with hope and confidence, a big harmonious family where the leader, the party and the masses are single-heartedly united, by looking after the entire people in his bosom with his magnanimous politics, benevolent politics embodying President Kim Il-song's idea of "believing in the people as in heaven".

The Syrian paper AL USUBUU AL RIADIH [spelling of paper as received], the Yemeni paper AL-BA'TH and the Pakistani paper KOMIAKHBAR [spelling of paper as received] also carried articles praising his greatness under the titles "His Excellency Kim Chong-il and Chuche," "Kim Chong-il, the Supreme Leader of Korean people", and so on.

Kim Chong-il Sends Thanks to Various Units

SK1609043294 Pyongyang KCNA in English 0426 GMT 16 Sep 94

[Text] Pyongyang, September 16 (KCNA)—Comrade Kim Chong-il, supreme commander of the Korean People's Army, extended thanks to the State Education Commission, the leading officials of the Kim Chaek Iron and Steel Complex, the Taehung Management Bureau of North Hamgyong Province, the Central District, Pyongyang, Committee of the League of Socialist Working Youth of Korea and other units, and Ko Hak-song, director of the Pyongyon Joint Venture Company, and his family, Doctor Mun Kyong-pae and nurse Cho Kyong-suk of the Songyo District People's Hospital, Choe Song-nam, a farmer of the Chongok Cooperative Farm in Pyongsong city, South Pyongan Province, and his family and many other working people.

The units and working people have assisted the People's Army with sincerity in the past, giving full play to the traditional traits of army-people unity.

'Talk' Praises Kim Chong-il's Military Skills

SK1609084494 Pyongyang Korean Central Broadcasting Network in Korean 0933 GMT 15 Sep 94

[Unattributed talk: "The Endless Honor of Upholding The Great General"]

[Text] The great leader Comrade Kim Il-song has taught: I am proud of having General Kim Chong-il, another general [tto hansalamui changgun].

The dear leader Comrade Kim Chong-il, the great leader [widaehan yongdoja] of our party and people, is a military master [kunsaui kojang] and a new commander [sae yongjang] who has been brought into sudden prominence like a comet in the present century. The long history of mankind has recorded numerous distinguished generals. There were many great men who won reputation for their [word indistinct] and many distinguished generals who were famous for their military art.

However, history has never witnessed a great general who, like our supreme commander General Kim Chong-il, has both literary and military accomplishments and is leading the popular masses' cause of independence down the single road of victory with indomitable will and courage and with distinguished and excellent strategy and military leadership art, which no one else can possess.

Indeed, the supreme commander Comrade Kim Chong-il is the general of generals whom all great men and generals of this world cannot rival even if they pooled all of their experience and wisdom.

The dear leader Comrade Kim Chong-il has built our revolutionary armed forces into an invincible, powerful force with his excellent army building ideology and extraordinary wisdom on military affairs!

The most prominent aspect among the immortal achievements that the dear comrade leader has produced in leading the army building cause to victory and glory is that he has made great contributions to developing the military theory of the working class by constantly developing and enriching the chuche-oriented military ideology and theory.

The respected and beloved General Kim Chong-il has expounded the ideology on modeling the entire Army after the chuche idea in conformity with the demands of the times and the developing revolution! He has not only presented a great program on modeling the entire Army after the chuche idea, but has also elucidated in detail ways for its realization. The presentation of this unique army building program has made a momentous contribution to strengthening and developing our People's Army into the leader's [suryong] Army, the party's Army.

This is why even foreign publications noted in their special feature programs celebrating the dear comrade leader's birthday: The dear leader Comrade Kim Chong-il presented the slogan: "Let us fight, devoting our lives to the great leader [widaehan suryong]," and has seen to it that the slogan dignifiedly flies within the People's Army as the banner of faith. This slogan elucidates the plane that soldiers' spirit should reach and contains such ethos as loyalty, self-sacrifice, heroic spirit, braveness, and courage that soldiers should possess. It can be said that with the presentation of this slogan alone the dear leader Comrade Kim Chong-il has erected an immortal monument in developing military ideology and theory in the present era.

Thus, the world recognizes and highly praises the greatness of General Kim Chong-il, who has opened a brilliant chapter in the history of army building. In the 5,000-year history of our nation, there has been no such time as today when our fatherland is great, our people are powerful, and our nation is demonstrating its dignity to the world. This is precisely the great honor and happiness that only our people—who are upholding the dear leader Comrade Kim Chong-il, the great general, who wins victory through ideology, (?will), and courage—can enjoy.

The respected and beloved General Kim Chong-il who has matchless prominent features in ideology, leadership, and virtues is inheriting and consummating the chuche revolutionary cause, while bestowing great love and confidence upon our people and officers and men of our People's Army. From the absolute confidence bestowed by the dear comrade leader, our people and officers and men of our People's Army today are staunchly advancing, with the infinite dignity and honor of being the leader's [suryong] fighters, along the single road of chuche led by him, and, thus, a brilliant canvas of wholehearted unity—in which the whole country becomes rifles and bombs and upholds with desperate courage the party and the leader [suryong] and their cause, devoting their lives—is being constantly unfolded on this land.

In March of last year when the comrade supreme commander issued an order to the whole country, all the people, and the entire Army to enter into a semi-war state and when a touch-and-go situation in which the flames of a war may be ignited at any moment was created and the whole world was keenly watching Korea, what kind of canvas was unfolded on this land? In that grave period the respected and beloved comrade supreme commander was reading a letter sent from the five brothers of (Yi Chang-son), ordinary officers of the People's Army. The letter from the Army officers of these five brothers contained their firm oath to invariably remain to be faithful to their cause for becoming the revolutionary fighters of the respected and beloved General Kim Chong-il, cherishing an ever-victorious and indomitable faith that they can win victory in the fight with any enemies wherever and whenever.

Our supreme commander General Kim Chong-il, who read the letter from the officers of the five brothers even amid the war commotion by the imperialists who runs wild recklessly, wielding nuclear weapons, personally wrote a reply: Hope that you become revolutionary fighters infinitely loyal to the party's cause. Kim Chong-il, 17 March 1993.

Through this noble appearance of our supreme commander Comrade Kim Chong-il the world has come to look up to the true appearance of the commander of the century, with emotion, who has blown away the dark clouds of war brought by the aggressors with the flames of human love and who has brought about great (?victory) with the strength of love and confidence.

This is why the military delegation of a foreign country, which visited our country in the past, presented a sword to the dear comrade leader and stated: The dear Comrade Kim Chong-il has unfolded a new chapter in the history of [words indistinct] through his energetic, ideological, and theoretical activities and unique [word indistinct]. History has never recorded a great man who, like the dear Comrade Kim Chong-il, has been perfectly equipped with ideology, theory, wisdom, courage, military operation art, and human love and who has been creating military miracles. It is indeed our infinite honor to present this sword to the dear Comrade Kim Chong-il as gift.

Yes, it is indeed so. Upholding the dear leader Comrade Kim chong-il, who is a prominent military master sent by the heaven and the general of generals is our people's greatest honor and happiness. This is why our people today trust and follow with one mind of loyalty and filial piety the great General Kim Chong-il, who has defended our destiny by breaking through all sorts of challenges in history, while admiring his greatness, matchless courage, and tested leadership ability.

Comrade Hwang Sun-hui, director of the Korean Revolutionary Museum, who is an anti-Japanese revolutionary fighter, says:

[Begin Hwang Sun-hui recording] Half a century ago our people greeted the birth of the dear leader Comrade Kim Chong-il as a great national (?festival). At that time, letters which read that the bright star of Paektu is [words indistinct] of our nation were engraved on trees in the forests of Paektu. The letters were more deeply engraved in our hearts with the elapse of time. Indeed, as we has traversed the long road of the revolution following the dear comrade leader, we have come to realize that he is the great leader [widaehan yongdoja] of the people who [passage indistinct] and that he is the (?great man] who [words indistinct] the victory of our revolution and socialism and the nation's destiny. As long as the great leader [widaehan yongdoja] General Kim Chong-il is with us, we are always victorious. As I fought my way through the bloody anti-Japanese struggle, following the great leader [widaehan suryong] in the past, I will invariably uphold the respected and beloved General Kim Chong-il until my last breath, even though the world changes several hundred times. [end recording]

This is not one person's feelings. The hearts of the first, second, third, and fourth generations of the revolution are overwhelmed with their firm oath and the blood of loyalty to more properly uphold the respected and beloved General Kim Chong-il in response to the great leader's will.

There will always be only victory and glory in the road ahead of our people, who are advancing under the respected and beloved General Kim Chong-il's leadership.

Foreign Guests Visit Kim Il-song Statue

SK1609043794 Pyongyang KCNA in English 0431 GMT 16 Sep 94

[Text] Pyongyang, September 16 (KCNA)—The visiting delegation of researchers of the International Institute of the Chuche Idea [IIJI], Ibrahim abu Melick, charge d'affaires ad interim of the Palestinian Embassy here, and the 223rd short-term home-visiting group of Koreans in Japan called at the statue of the great leader President Kim Il-song on Mansu Hill in Pyongyang and honored his memory.

They laid bouquets of flowers before the statue of President Kim Il-song and observed a moment's silence.

Yusei Takara, head of the delegation of Researchers of the IIJI said: "I must fulfill the behests of President Kim Il-song to discharge my duty better. We will make active efforts for global independence by making a more comprehensive and profound study of the chuche idea under the wise guidance of Mr. Kim Chong-il."

The Palestinian charge d'affaires ad interim said respected Comrade Kim Il-song was a great leader not only of the Korean people but also of the progressive people of the world. "The greatest of the great men, he will remain forever in the hearts of the progressive humankind of the world together with history," he added.

He expressed the belief that the Korean people under the sagacious guidance of the dear leader Comrade Kim Chong-il will achieve enormous successes in socialist construction and the struggle for national reunification.

The head of the 223rd short-term home-visiting group vowed to remain more faithful to the organisation of the General Association of Korean Residents in Japan (Chongnyon) and live a life as a soldier unfailingly loyal to the dear leader Comrade Kim Chong-il in order to fulfill the behests of the respected leader President Kim Il-song.

Committee Secretary Meets With WFDY Official

SK1509221494 Pyongyang KCNA in English 1507 GMT 15 Sep 94

[Text] Pyongyang, September 15 (KCNA)—Kim Chung-nin, secretary of the Central Committee of the Workers'

Party of Korea, today met and conversed with Pallab Sen Gupta, general secretary of the World Federation of Democratic Youth [WFDY], at the Mansudae Assembly Hall.

On the occasion the general secretary of the WFDY, expressing deep condolences on the death of the great leader President Kim Il- song, said he was a great man who made a great contribution to the development of not only the Korean revolution but also the world youth movement. It was proved he, noted, by the 13th world festival of youth and students held in Korea most grandly in the history of festival. [sentence as received]

The great leader Comrade Kim Il-song was, indeed, a veteran of the world revolution, he stressed.

He said he was greatly encouraged by the Korean people who are advancing, overcoming the sorrow. He stressed that he would, in the future, too, extend active support to the Korean people in their struggle for national reunification and socialist construction.

Cooperative Fields 'Overflowing' With Crops

SK1509221894 Pyongyang KCNA in English 1503 GMT 15 Sep 94

[Text] Pyongyang, September 15 (KCNA)—The plain and mountainous areas of Korea are overflowing with the joy of bumper crops. Unusual bumper crops have visited each cooperative field the great leader President Kim Il-song called at last year.

According to a recent survey, an increase of 5,000 tons each is foreseen in this year's harvest on the Changchon and the Sadong cooperative farms in Sadong District, Pyongyang, and 10,000 tons in the tideland-turned fields in Onchon County as compared with last year.

President Kim Il-song gave on-the-spot guidance to the Changchon cooperative farm, the June 3 cooperative farm and other cooperative farms in Pyongyang and Onchon County, South Pyongan Province in September last year. On the Changchon and the Sadong cooperative farms in Sadong District, Pyongyang, the president deeply acquainted himself with the growth of the paddy rice of new strain which had been sown on these farms. Saying that a green revolution should be made to steadily increase grain production, he gave instructions to increase the per-hectare grain output by breeding many high-yielding strains.

Seeing farmers of the June 3 cooperative farm and the March 3 state farm working joyously in fields with the help of machines, the great leader set forth the tasks to produce tractors, trucks and farm machines in large number and send them to the countryside.

Immensely inspired by his on-the-spot teachings, the farmers there have brought about abundant crops this year gain by doing farming successfully as demanded by the chuche method of farming. They are now concentrating on tending crops and harvesting maize, deeply regretting that respected President Kim Il-song passed away before seeing these bountiful crops.

Nature of Technological Revolution Discussed

SK1609114594 Pyongyang Korean Central Broadcasting Network in Korean 0200 GMT 15 Sep 94

[Dialogue between Dr. Kim Pyong-chik, associate professor and head of a department of Kim Chaek University of Technology, and station reporter Yi Won-yong: "On the Nature of the Technological Revolution Creatively Elucidated by the Great Leader"]

[Text] [Yi Won-yong] The great leader Comrade Kim Il-song taught that we have to vigorously carry out the technological revolution to contribute to (?the improvement of people's social life) and to build a material basis for the abundant socialist, communist society.

[Kim Pyong-chik] Yes, he did.

[Yi] Today, let us talk about the nature of the technological revolution presented creatively by the great leader Comrade Kim Il- song.

[Kim] Yes. The great leader Comrade Kim Il-song taught: The technological revolution is a project to increase the people's material welfare by enhancing production capability, to eliminate fundamental differences [ponjilchok chai] in labor, and to liberate the working people from hard labor.

As the great leader taught, the technological revolution is a project to increase the people's material welfare by enhancing production capability, to eliminate fundamental differences in labor, and to liberate the working people from hard labor.

In other words, the technological revolution is the struggle to replace old technology with new, manual labor with machine work, and semi-automation with automation. It is also the work of adopting and distributing the result of modernization for production. In view of this, the technological revolution can be called a machinery revolution, as well as an industrial revolution.

[Yi] However, I do not think it is proper to comprehend the technological revolution merely at a mechanical level, which is only aimed at developing technology and enhancing production capability.

[Kim] You are right. The technological revolution not only means a technological task to produce many material properties by developing technology and production capability, but means an important political task to liberalize the working people, who have been liberalized from exploitation and oppression, from [word indistinct] and guarantee them a complete social position and independent and creative lives.

In the past, the technological revolution was considered to be aimed only at achieving the people's abundant material life simply by developing technology and production capability and producing many material properties.

However, a more important purpose of the technological revolution is the liberalization of the working people from difficult and hard labor. No matter how many things may be produced with developed technology, it would be of no use if the working people lost their health due to continuous, difficult, and hard work.

Therefore, the technological revolution is considered to be an important revolutionary task, a political task, to liberalize the working people, who have been liberalized from exploitation and oppression, from hard labor.

[Yi] I see. Now I would like to discuss in-depth the nature of the technological revolution.

[Kim] Let us do so. The nature of the technological revolution is, specifically, that it is the revolution of making hard labor easier.

[Yi] Hard labor means labor with high labor intensity [nodong kangdo], that is, labor requiring a lot of physical labor of man, does it not?

[Kim] Yes, it does. For example, a man who is mining coal with a shovel and a hoe, wet with perspiration, at a underground pit all day long, or is weeding a field with a hoe under the burning sun, exerts more energy than a man who is controlling the operation of an automatic machine merely by pushing a few buttons. As long as such difficult and hard labor is needed, the independence of the popular masses cannot be completely realized.

By the way, the amount of physical labor exerted is in inverse proportion to the level of technology and equipment. In other words, a low level of technology and equipment requires high labor intensity, and a high level of technology and equipment requires low labor intensity.

The technological revolution is the struggle to make production activities easier and more effective with scientific and technological strength by broadly applying modern, new technologies in production.

The essence of the technological revolution is that this is also a revolution to eliminate differences in working conditions and fundamental differences of labor. Generally speaking, differences in working conditions cause differences between physical labor and mental labor and differences between industrial labor and farm labor. Differences in working conditions, generally, are differences in technological and equipment levels. Therefore, if labor using low technological and equipment levels is replaced by labor using high technological and equipment levels, differences in working conditions and fundamental differences of labor will disappear.

This is why the technological revolution is a revolution to eliminate differences in working conditions and fundamental differences of labor by narrowing differences in technological and equipment levels in labor. When we accelerate the technological revolution and, thus, eliminate difficult labor and differences in working conditions, we will be able to completely free the workers from the fetters of nature and provide them with conditions for independent and creative labor activities.

[Yi] The technological revolution is not only a revolution to free the workers from difficult labor and eliminate fundamental differences of labor, but a revolution to endlessly improve the workers' material welfare, is it not?

[Kim] That is right. The essence of the technological revolution is that this is also a revolution to improve the workers' material welfare. Enabling the workers, who have been freed from exploitation and oppression, to enjoy abundant material lives is an important task to provide them with complete independence.

No one can say the independence of the popular masses is completely achieved if the workers, even after they are freed from exploitation and oppression, are unable to enjoy abundant material lives. Eating rice and meat soup, wearing silk clothes, and living in a tile-roofed house has been our people's earnest desire for a long time. To fulfill the earnest desire, we must do farm work well and, thus, produce much grain, produce much clothes, and build many houses. Toward this end, we must undertake the technological revolution.

Only when we undertake the technological revolution and, thus, mechanize and automate all production processes and apply remote control systems to these procedures, can we better manufacture more daily necessities for food, clothing, and housing.

[Yi] I think it is important to have a correct understanding of the technological revolution in a socialist society and technological development in a capitalist society.

[Kim] That is correct. The technological revolution in a socialist society is fundamentally different from technological development in a capitalist society. Technological development in a capitalist society ensures exploiters more assets and abundant lives, but gives poverty and suffering to the absolute majority of workers.

However, in a socialist society, the further technology is developed, the easier work will become, the more material assets are produced, and the more abundant and civilized the people's lives will become. This is why having a correct understanding of the purpose of the technological revolution in a socialist society is very important in carrying out the technological revolution designed to provide the popular masses with conditions for independent and creative lives.

[Yi] Therefore, the technological revolution can be presented and realized not by the mammonist capitalists in capitalist societies who suppress and exploit the popular masses, but only by the communists who truly wage the struggle for the independence of the popular masses.

[Kim] That is correct. In our country today, the plan on the technological revolution presented by the great leader has been carried out brilliantly, and, as a result, high technological and equipment levels have been achieved in all fields of the people's economy, and production is increasing rapidly.

[Yi] The creative theory on the essence of the technological revolution, presented by the great leader Comrade Kim Il-song, makes us realize that the chuche idea, created by the great leader, is great and people-oriented. Let us finish today's discussion at this point.

South Korea

Kim Chong-il 'Likely' To Assume Power 16 Oct

SK1609004894 Seoul KBS-1 Radio Network in Korean 0000 GMT 16 Sep 94

[By Yi Chong-su from Washington]

[Text] It has been learned that North Korea's Kim Chong-il is likely to inherit power around 16 October. Diplomatic sources in Washington stated today: High-ranking officials in a North Korean mission said that the power succession will be made in North Korea on 16 October on the occasion of the end of the 100 mourning days of Kim Il-song's death. In particular, figures who participated in North Korea's 9 September national holiday, quoting remarks by ambassador-level officials at the North Korean mission, stated that there will be no big changes in North Korea's existing policies if the power succession is made on 16 October.

Magazine Lists Key Kim Chong-il Supporters

94P30106

[FBIS Media Note] Speculation about the new North Korean leadership emerging with Kim Chong-il continues to be a major topic of discussion in the Seoul press. An article in the 28 July HANGYORE 21, a new weekly magazine owned by the left-leaning daily HANGYORE SINMMN, contained the names of 10 key supporters of Kim Chong-il seen as likely to play increased responsible roles in North Korea in the future. The 10 names were selected by a team of HANGYORE 21's North Korea affairs reporting staff, and other North Korean experts from South Korean research institutes and universities. Based on the team's ranking, Chang Song-taek, brother-in-law of Kim Chong-il, heads the list as the most important figure under Kim Chong-il. The team speculated that Chang may become "the second in command" in the new leadership.

The HANGYORE 21 article noted that none of those selected on the list of 10 were first-generation North Korean revolutionaries. Everyone on the list is under the age of 70; the average age of those on the list, 57, is close to Kim Chong-il's age of 52. The article named the following 10 individuals, reported here in the order presented in the weekly magazine, as likely to have increased responsibilities and power in the new North Korean leadership under Kim Chong-il:

Chang Song-taek (age 49). Chang, a graduate of Kim Il-song University (KISU), is married to Kim Chong-il's sister, Kim Kyong-hui. Although Chang was not known to the South until the late 1980's, the team of experts agreed that because of his "superior abilities" he could become "the number two man." Chang is known as Kim's confidant and Kim reportedly trusted him enough to consider appointing him to head the State Security Department. However, Kim Il-song, who believed Chang to be "too smart and thus potentially dangerous," denied the appointment. Chang is currently in charge of three of the 22 departments of the Korean Workers' Party's (KWP) Central Committee—Youth Affairs, Working Masses' Organizations, and Three- Revolutions Teams. He is believed to be the brother of Chang Song-u, who is the director of the Political Department of the Ministry of Public Security.

Kim Kuk-tae (age 69). Kim, a graduate of KISU, the Mangyongdae Revolutionary School, and a Soviet military school, is the leading candidate to head the Department of Organization and Guidance of the KWP's Central Committee. The oldest son of the late Kim Chaek—the namesake for the Kim Chaek Polytechnical Institute—Kim rose steadily, holding various key posts in the KWP. According to the article, Kim met Kim Chong-il in the mid-1970's when Kim Chong-il temporarily stayed in South Hamgyong Province because of friction with his uncle, Kim Yong-chu, then head of the KWP's Organization and Guidance Department. Kim Kuk-tae was, at that time, chairman of the South Hamgyong Provincial People's Committee. Later, the article reported, Kim Kuk-tae reportedly took the lead in purging Kim Yong- chu and the friendship and trust between Kim and Kim Chong-il grew.

O Kuk-yol (age 66). General O, a graduate of KISU, the Mangyongdae Revolutionary School, and the Soviet Air Force College, is seen as an "outstanding military planner" who is expected to become minister of the People's Armed Forces in the new leadership emerging with Kim Chong-il. General O is reportedly a son of O Chung-hup, Kim Il-song's close friend during the anti-Japanese struggle. General O became commander of the Air Force before he was 40 and was promoted to full general in 1985. He was Army chief of staff for 10 years before being removed in 1988. It is believed, the article reported, that his removal from that position was largely the result of Marshal O Chin-u's jealousy over Kim Chong-il's trust in General O. He was reportedly rehabilitated by Kim Chong-il in 1989 to head the Operations Department of the KWP's Central Committee. According to the article, General O may have played a key role in helping Kim Chong-il carry out the massive military leadership changes that occurred in 1992.

Yi Pong-won (age 69). Yi, the deputy director of the General Political Bureau of the People's Armed Forces under O Chin-u, is viewed as likely to become director of the General Political Bureau. Yi is not a professional soldier; his military career started in 1976 when the KWP established the general political bureau in the People's Armed Forces. As the deputy director of the General Political Bureau, Yi reportedly plays a key role in informing Kim about conditions and attitudes within the military.

Kim Kyong-hui (age 47). Kim, a graduate of KISU who also studied at Moscow State University, is the younger and only sister of Kim Chong-il. Since her first official post in 1975 with the International Department of the KWP's Central ommittee, she has risen steadily and has been the director of Light Industry for the past 10 years. According to the article, Kim is expected to rise rapidly and to become the chairman of the Korean Democratic Woman's Union, the position currently held by her stepmother, Kim Song-ae.

Kim Tal-hyon (age 53). Kim, an economist with a "superior understanding" of international trends, is Kim Chong-il's cousin. He rose rapidly to high posts not as a member of the KWP like most of the North Korean elite, but as a technocrat. At 36, Kim became deputy director of the Academy of Science. According to the team of experts, Kim speaks English fluently, has been deeply involved in Pyongyang's planning of the North-South economic cooperation, and is believed to have engineered the 1989 visit to North Korea of Hyundai Group's Chong Chu-yong, the 1991 visit by the president of the Unification Church, Mun Son-myong, and the 1992 visit of Daewoo Group's Kim U-chung. Kim's rapid advancement is seen as reflecting the North's need to assess the changing economic policies of Eastern Europe and China, and the potential suitability of those economic models to North Korea. Kim, known as a forward-looking, progressive economist, is credited with opening North Korean diplomatic ties with the Philippines.

Kim Yong-sun (age 60). Kim's chairmanship of the Reunification Policy Committee of the Supreme People's Assembly (SPA) is expected to continue under Kim Chong-il. A graduate of KISU and Moscow State University, Kim is known as a foreign affairs expert whose prominence increased after Ho Tam's death in 1991. Kim began his political career in 1960 as deputy director of the Provincial People's Gommittee of Kangwon Province. His foreign service career started 10 years later as ambassador to Egypt. Kim is seen as playing a leading role in foreign affairs, thanks to his foreign affairs expertise and his close family ties to Kim Chong-il. According to the article, an unconfirmed report indicated that his career was briefly sidetracked in 1984 because he, other diplomats, and KWP officials took western dance lessons and held dance parties. His transfer to the Reunification Policy Committee from the Foreign Affairs Gommittee of the SPA in 1993 was seen as a sign of the importance attached to the goal of improving the North-South relationship.

Kang Sok-chu (age 55). If United States-North Korea negotiations result in an official diplomatic relationship, Kang is expected to become Pyongyang's first ambassador to Washington. Kang, a graduate of Pyongyang University of Foreign Studies, majoring in French, is considered a foreign affairs' "heavyweight," particularly on issues involving the United Nations (UN) and the United States. In 1991, when both Koreas became members of the UN, Kang, the North's chief negotiator for nuclear talks with the United States, traveled to New York to represent Pyongyang. He carries himself with a "non-North Korean sophistication and elegance" and is fluent in English and French.

Choe Yong-hae (age 50). The article reported that Choe, a close childhood friend of Kim Chong-il, was the first North Korean official to proclaim his loyalty to Kim after Kim Il-song's death. For nine years, Choe has held the directorship of the 5 million-member Socialist Working Youth's League, Sanochong. He is the second son of Choe Hyon, a first generation revolutionary who was a close friend of Kim Il-song. The team of experts said that hoe's clean-cut appearance, academic brilliance, quick analysis of situations, and ability to organize and present arguments have been recognized since he was young. In 1993, he received the "State Hero" medal for training and educating Sanochong members to become the KWP's "militant vanguards" and "do-or-die suicide squad." Besides being director of the Sanochong, Choe is the chairman of the Korean Football Association, which allows him frequent travel abroad. It is said that his dedication to Kim Chong-il is unmatched and that Kim's trust in him is very strong. According to the article, Choe is likely to rise rapidly and play an important role in developing the inter-Korean relationship when the two Koreas decide to hold joint sports and youth activities.

Yi Ghun-ku (age 52). Yi, a graduate of KISU, is a film producer and playwright; his hit movie "Flower of Toraji" reportedly brought him close to Kim Chong-il. The article reported that Yi is seen by Kim Chong-il as having a special ability to use movies to depict the KWP's needs to the people. Yi is expected to play a leading role in cultural affairs, particularly in the propaganda field. Given Kim Chong-il's reported interest in the arts, particularly in movies, Yi's already close relationship with Kim is likely to become stronger. According to the article, Kim often meets with Yi to discuss the arts and movies.

Government To Adopt 'Unification Education' Plan

SK1409132194 Seoul YONHAP in English 0934 GMT 14 Sep 94

[Text] Seoul, Sept. 14 (YONHAP)—The government on Wednesday decided to intensify educational programs aimed at dissolving the sense of heterogeneity between the people of South and North Korea. The decision is to prepare for a unification that may befall to the nation overnight.

A meeting of relevant government officials held at Hotel Shilla in the presence of leading academicians and journalists agreed on the need to keep the South Korean people better informed of things in North Korea and thus to help restore national homogeneity between the South and the North.

The meeting, chaired by Deputy Prime Minister Yi Hong-ku, suggested that one way to carry out the "unification education" would be for the government to furnish various information on North Korea to press medias.

The government is set to adopt a comprehensive plan on "unification education" in a meeting of unification-related ministers Friday.

Committee of 'Experts' Set Up

SK1609095694 Seoul YONHAP in English 0926 GMT 16 Sep 94

[Text] Seoul, Sept. 16 (YONHAP)—The government on Friday decided to energize educational programs on unification by, for example, encouraging more colleges to offer courses on North Korean studies.

The decision was made at a meeting of relevant ministers held under the chair of Prime Minister Yi Yong-tok.

The attendees shared the view that stepped-up education on unification is a must as the nation's unification has been moving toward a reality steadily.

The meeting resolved to set up a committee of educational experts under the National Unification Board with the duty of working out detailed curricula on unification.

Also to expand "unification education" for general public, the meeting decided to expand the capacity of social educational institutes and create centers for unification materials in provincial cities.

Those who attended the meeting, besides Premier Yi, included the deputy prime minister for unification and the ministers of home affairs, justice, defense and education.

North-U.S. 'Neared' Accord on Liaison Offices

SK1609013794 Seoul YONHAP in English 0122 GMT 16 Sep 94

[Text] Seoul, Sept. 16 (YONHAP)—North Korea and the United States neared agreement at an expert-level meeting in Pyongyang earlier this week that should they exchange liaison offices, the offices would be given virtual consular status, informed sources said Thursday.

North Korea proposed that the liaison officer be an ambassador-level diplomat authorized to handle not only consular business but also political, economic and trade matters, a government official said.

The United States reportedly countered with an offer to appoint the liaison officer from among working-level foreign service officials, with his duties limited to consular affairs.

The official said that at the Pyongyang meeting, North Korea demanded expanded functions for the liaison office and high-level status for the liaison officer, while the United States called for limiting the office's functions and lower status for the liaison officer.

The two sides compromised on a plan to empower the liaison office to handle consular business, including visa issuance and protection of citizens in the host country. As a result, they are expected to continue discussing the expanded functions of the liaison office at their high-level policy meeting slated to open in Geneva on Sept. 23.

The U.S. delegation, noting that North Korea restricts the activities of the diplomatic corps in Pyongyang under its domestic law, said the American Government might do the same to the North Korean liaison office in Washington according to the reciprocity principle under the Geneva Convention, the official said.

North Envoy: Talks May Fail Over Inspections

SK1509235594 Seoul KBS-1 Radio Network in Korean 2200 GMT 15 Sep 94

[By correspondent Yi Il-hwa from Tokyo]

[Text] According to a 16 September NIHON KEIZAI SHIMBUN report datelined in Washington, an official of the North Korean mission to the United Nations warned on 15 September that the U.S.-North Korea talks may break down if the U.S. Government insists on special inspections as a precondition for supporting light-water reactors.

NIHON KEIZAI SHIMBUN reported that the official of the North Korean mission to the United Nations said so in an interview with the paper and stressed that the plan to freeze nuclear development will also be inevitably withdrawn if the United States continues to demand special inspections in North Korea. The official of the North Korean mission to the United Nations also strongly opposed the remarks of U.S. Assistance Secretary of State Gallucci made during his visits to Japan and the ROK stating that the United States cannot support the replacement of North Korean reactors with light-water reactors if North Korea does not accept special inspections. The official stressed that if the United States adheres to such a position, North Korea could not but return to the starting point regarding U.S.-North Korea talks.

North Chief Delegate to Talks With U.S. Cited

SK1609021394 Seoul CHOSON ILBO in Korean 16 Sep 94 p 3

[Interview with Kim Chong-u, vice chairman of the DPRK External Economy Commission and chief delegate to the U.S.-DPRK experts talks, by unidentified reporters—compiled by reporter Kim Kwang-il from Berlin]

[Text] [Reporter] Has North Korea proposed at the talks a light-water reactor from a particular country?

[Kim] In terms of selecting an atomic reactor type and performance efficiency, we presented the principles of safety records, verified performance, and exports records. From this viewpoint, Russia's 600 megawatt-class atomic reactor does not suit our reality.

[Reporter] Is a ROK-type reactor not suitable?

[Kim] At the moment, there is no reactor in the world called ROK-type. You can talk about ROK-type reactors by mentioning Ulchin No. 3 reactor, which will begin operations in 1998, and Ulchin No. 4 reactor, which will begin operations in 1999. The Ulchin Nos. 3 and 4 reactors have been remodeled after Yonggwang Nos. 3 and 4 reactors. The Yonggwang Nos. 3 and 4 reactors will begin operation in 1995 and 1996, respectively. This is like trying to export a rector named after the son under the circumstances in which even the father has not been born yet. This seems realistically impossible.

[Reporter] Then, do you have a German-type reactor in mind?

[Kim] The companies that are producing atomic reactors are Westinghouse of the United States, Siemens of Germany, Framatome of France, ABB Combustion Engineering of the United States, and Mitsubishi of Japan. Among them, Germany has produced 36 reactors, 27 of which have been exported. Therefore, this will sufficiently suit the aforementioned three principles.

[Reporter] Will you accept ROK funds?

[Kim] We have made it clear that the United States is responsible for the financing and we have the right to select the reactor type. In connection with the supply of a light-water reactor, the U.S. side proposed establishing a certain organization (consortium). There is no problem for South Korea [namhan] to participate in this project financially. We will make the selection through bidding. In connection with the terms of the bidding, we will select what is superior in price, terms of payment, and performance.

[Reporter] What is your reaction to chief U.S. delegate Gallucci's remarks that the United States considers that one reactor be ROK-type and another model be from a third country?

[Kim] We have the choice of deciding on the type of reactor. We do not believe that everything will be done just as U.S. delegate Gallucci said.

[Reporter] We have heard that North Korea opposes grant-type aid. Is it true?

[Kim] We do not like anything free of charge. We will pay what is coming to us regarding the provided reactors. However, we will deduct from the payment the compensation for the suspension of the graphite-moderated reactors.

[Reporter] Did the North side request $1.2 billion for compensation?

[Kim] We have studied the graphite-moderated reactors for the last 30 years. We estimate that the investment we made for the construction and research of graphite-moderated reactors during the last 30 years reaches billions of dollars. We will adjust the payment when pressurized light-water reactors are brought in. There was no detailed discussions on this matter during the meetings.

[Reporter] What was the U.S. reaction to this?

[Kim] The United States did not express its view but only heard our side's view at the meetings.

[Reporter] Have the United States and North Korea agreed to let North Korea decide the type of reactors?

[Kim] No, this is our demand. The current trend of the world reactor market is that the purchaser decides on the type of reactor. The United States cannot but agree on the international practice.

[Reporter] Does North Korea see that the ROK will still share the expenses regardless of the rejection of the ROK model?

[Kim] In accordance with the 12 August agreed statement, we do not get involved in the discussions of the ROK's financial participation. If Japan and the ROK do not pay, the United States will have to pay. Only then, the nuclear issue can be resolved.

[Reporter] Was there any discussions on the site for light-water moderated reactors?

[Kim] This matter was not discussed. However, the site prepared is at Kumho-ri, Sinpo city. This place had been studied for the introduction of Russian reactors in the past. This place can be utilized for any country's reactors since we studied the feasibility in accordance with regulations put forth by the International Atomic Energy Agency.

Clinton Sends Kim Verbal Nuclear Issue Message

SK1609022694 Seoul YONHAP in English 0218 GMT 16 Sep 94

[Text] Seoul, Sept. 16 (YONHAP)—U.S. President Bill Clinton said in a verbal message to President Kim Yong-sam Friday that in order for the United States to improve relations with North Korea, it must first secure Pyongyang's nuclear transparency and better inter-Korean ties.

The message was conveyed by Assistant Secretary of State Robert Gallucci, who is heading the American delegation to the high-level U.S.-North Korea nuclear talks opening in Geneva on Sept. 23, during a courtesy call on President Kim.

Gallucci informed Kim of the U.S. position on providing light- water reactors to North Korea once the nuclear debate is completely settled.

Earlier in the day, Gallucci sat down for breakfast with Senior Presidential Secretary for Foreign and Security Affairs Chong Chong- uk, with the two sharing the view that Seoul should play the central role in providing light-water reactors to Pyongyang while agreeing on closer Seoul-Washington cooperation in pressing Pyongyang to adopt the South Korean reactor model.

Clarifying that the Pyongyang-proposed peace treaty should be a subject of discussion between South and North Korea, not between the United States and North Korea, they confirmed the need to keep the Armistice Agreement in force until a peace regime is established.

Gallucci will have lunch with Foreign Minister Han Sung-chu to fine-tune the strategy for the coming high-level talks with North Korea in Geneva.

Just before leaving the country late in the afternoon, Gallucci will hold a press conference on his visits to Tokyo and Seoul at Kimpo International Airport.

'Protocol' of Kim-Gallucci Meeting Questioned

SK1609090194 Seoul CHUNGANG ILBO in Korean 16 Sep 94 p 2

[From the "Central Tower" column by Kim Tu-u]

[Excerpt] On 16 September Chongwadae [presidential offices] expressed a negative view on President Kim Yong-sam receiving Robert Gallucci, U.S. nuclear ambassador now visiting the ROK. Considering that he is a special envoy of U.S. President Clinton, Chongwadae decided to allow him to meet President Kim.

A relevant Chongwadae official noted that "the counterpart of Nuclear Ambassador Gallucci is Kim Sam-hun, nuclear ambassador in the Foreign Ministry, and following protocol, the foreign minister may receive him. Thus, it is not appropriate for the president to receive him." However, Chongwadae noted that President Kim finally decided to meet Gallucci. Chongwadae, however, decided it would not be appropriate to announce the contents of their dialogue. A relevant government official said that "during the era of military dictatorship, ministers, national assemblymen, and even the president met the chief of the U.S. State Department Korean section when he visited the ROK. It appears that such erroneous practices still remain, thus causing an awkward situation." [passage omitted on President Kim's other activities]

Daily Views Gallucci Meeting With Officials

SK1609045494 Seoul TONG-A ILBO in Korean 16 Sep 94 p 2

[Article by reporter Kim Cha-su]

[Text] On 15 September, nuclear ambassador Kim Sam-hun held high-level working-level negotiations with Robert Gallucci, U.S. assistant secretary of state who is now visiting the ROK, regarding North Korea's nuclear issue. They discussed a detailed strategy—including ways to have an ROK-style atomic reactor supplied to the DPRK—to be presented at the second meeting of the DPRK-U.S. high- level talks which will resume on 23 September.

Assistant Secretary Gallucci also met with Yi Hong-ku, deputy prime minister and minister of national unification, and Foreign Minister Han Sung-chu. They reaffirmed the basic positions of the ROK and the United States toward the DPRK-U.S. high-level talks. The meetings carry significance in that they were held prior to the second meeting of the third round of DPRK-U.S. talks, which will serve as an important turning point in solving North Korea's nuclear issue.

Before discussing the strategy for the second meeting of the third round of DPRK-U.S. talks, Assistant Secretary Gallucci explained the results of the DPRK-U.S. expert-level talks held in Pyongyang and Berlin. Assistant Secretary Gallucci stated: The expert-levels talks were not negotiations, but allowed the two sides to present their own business-like and technical ideas on the opening of liaison offices, on aiding in the construction of a light-water reactor, on aiding in alternative energy resources, and on disposing of spent fuel rods. Therefore, no decisions were made at the talks.

Ambassador Kim conveyed to Assistant Secretary Gallucci the government's position that, in consideration of the fact the DPRK still strongly rejects an ROK-style light-water reactor, Seoul will not adhere to the name ROK-style light-water reactor; however, Seoul will bear the costs only if the ROK can participate in the project at its own initiative. Assistant Secretary Gallucci sympathized with such a position.

It was learned that from a tactical point of view, the ROK and the United States will push ahead with ways to have the United States, as a party to the contract, guarantee in writing the construction of a light-water reactor for the DPRK if Pyongyang agrees to the ROK-led construction of a light-water reactor. It was also known that countries concerned—such as the ROK, the United States, and Japan—will see to it the ROK plays a leading role in forming a consortium. As regards concrete ways to form a consortium and share the ratio of financial burden, the countries concerned will hold further again and make a decision after an agreement is reached at the DPRK-U.S. talks on the principles for constructing a light-water reactor.

The government stressed that the improvement of North Korea-U.S. relations should be linked to the development of North- South relations. Also, it conveyed the strong position to the U.S. side that North Korea's request for a peace agreement with the United States is not a matter that should be discussed between North

Korea and the United States. Regarding this, Assistant Secretary of State Robert Gallucci promised that he would not put the issue on the agenda during North Korean-U.S. talks.

The ROK and the United States fully discussed formulating plans to concretely implement the agreement reached between North Korea and the United States in Geneva on 13 September, but they did not disclose details for their own negotiating strategy against North Korea.

Regarding this, Assistant Secretary of State Gallucci explained the strategies that North Korea should completely return to the Nuclear Nonproliferation Treaty, freeze its nuclear development, and promise to implement the joint denuclearization declaration on the Korean peninsula. These also include that the United States will link the improvement of U.S.-North Korean relations to the development of North-South relations, and that North Korea's clarification of its past nuclear program should be made first in order to support North Korea for building a light-water reactor. In other words, this indicates that the United States will open a liaison office, only if North Korea promises to continue North-South dialogue to implement denuclerization declaration on the Korean peninsula and to completely return to the Nuclear Nonproliferation Treaty. It has been also learned that the United States will adopt documents on the support for building a light-water reactor only if North Korea promises to take practical steps, including special inspection [tukpyol sachal] for the guarantee of its past nuclear transparency, but the actual work of building the light-water reactor will start after the suspicion of North Korea's nuclear development is dispelled.

Such plans by the United States is slightly different from that of the ROK Government, because the government's position is that it can participate in the work of supporting North Korea for building the light-water reactor, only if North Korea clarifies its present, past, and future nuclear program. The government's position is that it can begin to support North Korea for building the light-water reactor after the suspicion of North Korea's nuclear development is dispelled, while the United States plans are that it would first guarantee the support for the building of the light-water reactor based on the documents if North Korea promises to accept inspections for the clarification of its past nuclear activity. Then, the United States would actually support North Korea in the building of a light-water reactor after the suspicion of North Korea's past nuclear program is dispelled.

However, because it is the basic positions of the ROK and the United States to seek a comprehensive solution for the North Korean nuclear issue during the second meeting of the third round of North Korean-U.S. talks, the ROK and the United States decided that in case an agreement is reached on all the agenda items to be discussed by the United States and North Korea, the United States and the ROK will push for the improvement of relations between the North and the United States and the suport of the construction of a light-water reactor.

Gallucci: DPRK Proposal for Bids 'Ludicrous'

SK1609080694 Seoul YONHAP in English 0800 GMT 16 Sep 94

[Text] Seoul, Sept.16 (YONHAP)—The United States flatly rejected North Korea's proposal for international bidding on the light-water reactor, calling it "ludicrous."

Ambassador at large Robert Gallucci, in charge of North Korean nuclear affairs, said after his visit here that the United States is in charge of arranging the light-water reactor project and sees the South Korean model as the only viable choice technologically, politically and financially.

On an exchange of liaison offices, Gallucci said their functions will depend on the stage North Korea-U.S. relations have reached at the time of establishment.

He suggested that the liaison offices could well include channels for political, economic and cultural contacts.

Gallucci, at a press conference wrapping up his three-day visit to Seoul, said he doesn't take seriously North Korea's insistence that it has the right to select the reactor model and award the contract through an international bid.

"It's almost too much to take seriously" for North Korea to say it will decide on the design and the United States will then pay, Gallucci told the press. "In fact, I don't take it seriously."

The nuclear ambassador, who faces the North Koreans again next week at high-level negotiations, said he will give more weight to what Pyongyang said last month when the two sides agreed on the general framework of give-and-take in settling the nuclear problem.

Gallucci outlined what he called three parameters in selecting the reactor model to demonstrate to North Korea that it must be "technologically, politically and financially viable." Asked why the Russian model is not among the options, he said the United States "could not see a model that was financially viable other than one in which South Korean companies were taking a central role in design, construction and financing."

The reactors for North Korea would be like the Uljin No. 3 and 4 reactors under construction in South Korea, he said.

The American negotiator said North Korea did, however, make a new proposal at the expert-level talks in Berlin earlier this week related to both the light-water reactor project and alternative energy.

"We did hear some new ideas, but they were only ideas," Gallucci said without going into further detail. "Geneva is the only operative language," he noted, indicating that the experts' talks served to facilitate an information exchange, and were not negotiations.

On the functions of the proposed liaison offices, the ambassador said their role would be to "serve the interests of both countries at the time that the offices are established."

If the offices opened while bilateral ties were improving, they would include channels for "political, economic and cultural contacts," he said.

U.S. Not To Let North Choose Reactor Model

SK1609024294 Seoul YONHAP in English 0233 GMT 16 Sep 94

[Text] Seoul, Sept. 16 (YONHAP)—South Korea and the United States will not give North Korea the right to choose a nuclear reactor model through international bidding, officials here said Friday.

Reacting to North Korea's comments at a press conference demanding the exclusive right to select a reactor model, the officials reconfirmed that Seoul must be the principal supplier for the reactor project.

Kim Chong-u, chief North Korean delegate to expert-level talks with the United States in Berlin, told reporters the contractor for the reactor should be chosen through an international bid.

"There was partial discussion that we should consider an international consortium but negotiate with involved countries so that South Korea will in fact be the main supplier," said one official. "But if North Korea has the right of selection, then it can always reject such a consortium. South Korea and the United States agreed not to allow this sort of situation from the beginning."

North Korea is demanding that the United States arrange the provision of a 2,000-mw light-water reactor while resisting the South Korean model.

Pyongyang has said the reactors it will receive should be models with an established history of safety, proven in efficiency and through export records.

Kim Tae-chung Scheduled To Meet With Carter

SK1609010494 Seoul YONHAP in English 0050 GMT 16 Sep 94

[Text] Washington, Sept. 15 (YONHAP)—Kim Tae-chung, chairman of the Asia-Pacific Peace Foundation, is scheduled to meet with former American President Jimmy Carter during his visit to the United States starting this weekend.

Confirming Kim's plans to visit America, a foundation official here said Thursday that the former South Korean opposition leader will meet Carter in Atlanta on Sept. 22.

Kim's trip is drawing public attention as he has proposed that an inter-Korean summit be held in the U.S. capital under the good offices of President Bill Clinton, with an eye to settling the North Korean nuclear issue.

During their scheduled meeting in Atlanta, the two men are expected to take up the issue of Carter's returning to North Korea.

Some observers feel there is a strong possibility that the former American President may visit Pyongyang again at the invitation of North Korea's newly emerging leader, Kim Chong-il.

During his week-long stay in the United States, Kim will tour Washington and New York to meet with major figures from the Clinton administration, Congress and academia to hold comprehensive consultations on Korean affairs, the foundation official revealed.

Asked about speculation that Kim's visit is aimed at pressing his proposal for a tripartite summit among Seoul, Pyongyang and Washington, he replied: "It would be feasible only if the present situation concerning the North Korean nuclear standoff was settled."

However, an American analyst deeply involved in the nuclear problem hinted that the tripartite talks could come about, although he pointed out that their realization would not be easy in view of Clinton's present troubles at home and abroad.

During his recent visit to the United States, South Korean Foreign Minister Han Sung-chu said no summit was in the cards and that the American Government had no such plans.

U.S. Chamber of Commerce 'Secretly' Visited North

SK1609054594 Seoul THE KOREA HERALD in English 16 Sep 94 p 1, 8

[Text] The American Chamber of Commerce in Korea (Amcham Korea) secretly sent a trade mission to North Korea Aug. 30-Sep. 5, informed sources said yesterday. The trade mission consisted of officials from 10 AmCham Korea member companies which had received official invitations from the North Korean government in June this year, the sources said. The 10 firms included Motorola Korea, General Motors Korea, Ford Korea, Hyosung BASF, IBM Korea and Hewlett-Packard, according to the sources.

Apparently taking their cue from AmCham Korea, the European Community [EC] Chamber of Commerce is moving to send a delegation to North Korea. The EC Chamber of Commerce has recently asked the National Unification Board whether its members could visit the North. According to the sources, during its recent clandestine visit, the AmCham Korea trade delegation inspected the Najin-Sonbong free investment zone to find out whether the zone is suitable for investments by American firms.

The American businessmen met with high-ranking Pyongyang officials who invited them for talks on trade and investment, they added.

The sources didn't rule out the possibility that the U.S. delegation met with Kim Chong-il who now rules North Korea following the death of his father Kim Il-song. A source said, "I met a high-ranking AmCham official in Beijing Airport Aug. 30. At the time, he was checking in for a flight to Pyongyang."

"The AmCham Korea official told me that he was leading a trade delegation to North Korea," said the source who wanted to remain unnamed. He added that he saw several Westerners around the AmCham official at the time.

Presently, the North Korean flag carrier, Air Koryo, operates two flights a week, once every Tuesday and Saturday, from Beijing to Pyongyang. The day the encounter at Beijing Airport took place was Tuesday, a fact which indirectly supports the AmCham delegation's visit to Pyongyang. An AmCham official, however, strongly denied that its mission has visited the North. "It's all rumor that we have sent a delegation to Pyongyang," asserted William Oberlin, an AmCham vice president.

In mid-August, a local economic daily reported that AmCham Korea planned to dispatch a 10-member trade mission to North Korea as early as late August.

At the time AmCham Korea vehemently denied the report, saying that it had no plan to send a delegation to North Korea. According to a Foreign Ministry official, however, the organization of American businessmen here did push for the visit, pressing their government to allow it.

AmCham Korea president James Riddle explicitly called for permission from the U.S. government. Riddle asserted in a recent article carried in his organization's journal that Washington and the U.S. Embassy in Seoul should assist in arranging an AmCham trade mission to Pyongyang. The ministry official said Washington officials put the brake on AmCham's move, adding, however, that despite the brake, AmCham could have promoted the visit plan secretly. This appears to be what AmCham actually did. A source close to Hans Eugen Hundt, vice president of Hyosung BASF who had been deeply involved in the scheme, quoted the businessman as saying after the initial press leak that AmCham Korea would seek to realize its plan.

According to a North Korea expert in Seoul, Amcham Korea had probably dispatched the trade delegation to the Communist North with permission from the U.S. government.

"I believe that they could send the delegation because the Clinton administration allowed it," alleged the North Korea watcher on condition of anonymity.

If this is true, its implications are serious. It means the U.S. government is helping American firms grab business opportunities in North Korea ahead of South Korean and other Western firms, according to the expert. The United States has thus far called on South Korea to ban local companies from entering North Korea until the North's nuclear issue is completely resolved, he said.

The Seoul government has faithfully respected this request, despite loud calls from domestic businessmen and politicians that inter-Korean economic cooperation should be delinked from the nuclear issue. In this respect, if Washington has allowed AmCham businessmen to visit North Korea ahead of South Korean entrepreneurs, it cannot escape the criticism for employing double standards.

According to officials at the Korea Trade Promotion Corp. (KOTRA), whenever they have asked the Seoul government to allow domestic businessmen to invest in North Korea, the United States has strongly protested through its embassy in Korea.

"We have recently proposed that the government stop linking the nuclear issue with inter-Korea economic cooperation. When out proposal was reported by the press, the U.S. Embassy in Korea vehemently denounced it," a high-ranking KOTRA official said. If Washington had allowed AmCham Korea to secretly send a trade mission to North Korea, then it contradicts the policy which it has asked Seoul to follow, he asserted.

Government Denies Paper's Report

SK1609061994 Seoul YONHAP in English 0614 GMT 16 Sep 94

[Text] Seoul, Sept. 16 (YONHAP)—The South Korean Government on Friday [16 September] denied a report that corporate officials affiliated with the American Chamber of Commerce in Korea (AmCham Korea) secretly visited North Korea.

Foreign Ministry Spokesman Chang Ki-ho said in a statement that American businessmen cannot visit North Korea without U.S. Government approval, in accordance with the American law that bans such exchanges with hostile countries. He said that as far as he knows, no applications seeking to enter the communist country were submitted to the American Government.

The spokesman was responding to a report in the Friday edition of the English-language KOREA HERALD, which claimed that AmCham sent a secret mission to North Korea from Aug. 30 to Sept. 5 for business purposes.

Two Firms To Appear on New York Stock Exchange

SK1609093994 Seoul YONHAP in English 0828 GMT 16 Sep 94

[Text] Seoul, Sept. 16 (YONHAP)—Pohang Iron and Steel Co. (POSCO) and Korea Electric Power Corp.

(KEPCO) will be listed on the New York stock exchange next month to become the first South Korean companies to join the exchange, floating depository receipts worth 300 million dollars apiece.

Nine other firms that have qualified for the New York stock market are expected to follow suit next year—Samsung Electronics, Goldstar, Hyundai Motor, Daewoo Corp., Samsung Heavy Industries, Lucky, Yukong, Ssangyong Oil Refining and Ssangyong Cement Industry.

The Securities and Exchange Commission on Friday approved plans by POSCO and KEPCO to enter the New York stock exchange early and late next month, respectively, according to the Finance Ministry.

This will enable the two companies to raise funds on the New York capital market but may pose problems for the government's monetary controls, due to an increase in the money supply caused by the amount of funds they bring into the country from New York.

The depository receipts (DRS) they intend to list on the New York market are negotiable instruments that are a convenient substitute for direct ownership of actual share certificates, with the original share certificates to be kept at a domestic depository.

KEPCO will list the DRS, instead of its earlier plan to issue Yankee bonds worth 300 million dollars, and POSCO can issue the instruments because the government recently raised the ceiling on issuance of overseas securities by 300 million dollars to 2.8 billion dollars for this year.

In order for the two companies to join the New York stock market, they are required to issue new rights on the Seoul bourse for a capital increase. In doing so, they will offer the new rights for a much higher price than the domestic price so that domestic investors will disclaim the new rights. On the basis of these forfeited rights, they will list DRS on the New York market.

Ministry officials said the two firms have already obtained tentative approval from the U.S. Securities and Exchange Commission and the New York stock exchange for their plans to float DRS on the New York bourse.

Standard and Poor's rated both POSCO and KEPCO "a plus" and Moody's ranked POSCO "A2" and KEPCO "A1."

POSCO registered turnover of 6,920.8 billion won (8.6 billion U.S. dollars) and an after-tax profit of 1,321.8 billion won on capital of 458.9 billion won last year. Its shares sold for 86,400 won apiece on the Seoul bourse on Sept. 15.

KEPCO's 1993 performance includes turnover of 7,526 billion won and a net profit of 419.3 billion on capital of 3,041.6 billion won. Its shares stood at 34,500 won on Sept. 15.

PRC Boats Seized in Waters Off Puan County

SK1509070894 Seoul YONHAP in English 0604 GMT 15 Sep 94

[Text] Kunsan, North Cholla province, Sept. 15 (YONHAP)—Local Maritime Police seized two Chinese fishing boats and 26 crewmen early Thursday [15 September] morning in waters off Puan County, North Cholla Province, for engaging in illegal fishing, a Maritime Police spokesman said.

Police took the vessels and Chinese fishermen to nearby Kunsan Port, said the spokesman, who alleged that they ignored a Maritime Police warning the previous night to leave South Korean waters.

Police earlier warned about 40 Chinese fishing boats found in South Korean waters Wednesday night to leave at once, the spokesman said.

He said the skippers of the two dragnet boats, the Lurongyu No. 1261 and No. 1262, would be detained on charges of violating the law governing territorial waters.

The remaining 24 fishermen, however, will be sent back to China as soon as the Maritime Police consult with Chinese authorities on the matter.

Police arrested four skippers of Chinese fishing boats seized in waters near Puan County last Sunday.

Hanbo Business Group Plans Steel Plant in PRC

SK1509020694 Seoul THE KOREA HERALD in English 15 Sep 94 p 8

[Text] The Hanbo Business Group said yesterday that it plans to build an integrated steel plant, including a 2 million ton-class "corex" mill, on the Asan Bay of South Chungchong Province, by 1997.

Currently the only corex mill in the world is operating in South Africa. Pohang Iron and Steel Co. (POSCO), Korea's largest and the world's second largest steel producer, is also building a mill with a capacity of 600,000 tons.

Aside from the corex mill, Hanbo group will also build a 2 million-ton cold-rolled plant along with a 1 million-ton hot-rolled plant, company officials said.

These and other facility expansions, coming on top of its existing 1.2 million-ton electric furnace, will push up Hanbo's total capacity to more than 6 million tons, making it Korea's second-largest steel-maker next only to POSCO, in three years, they said.

Hanbo group, Korea's 28th-largest business conglomerate with total assets of 1.2 trillion won ($1.5 billion), will invest about 3 trillion won in the facility expansion.

The group's flagship company, Hanbo Steel and General Construction Co., has recently signed a deal to import two corex facility units each with capacity of 600,000 tons and valued at $180 million, from Australia's Voest Alpine, the officials said.

Daewoo Opens Air Conditioner Factory in PRC

SK1509014594 Seoul THE KOREA HERALD in English 15 Sep 94 p 8

[Text] Daewoo Corp. said yesterday it has completed building an assembly line for V-5 compressors at Mudanjiang Air Conditioner Factory in Heilongjiang Province, China with technology and facilities worth $10 million.

The plant will produce 15,000 compressor units for automotive air conditioners annually.

Attending a ceremony held yesterday to celebrate the completion of the assembly line were Cong Fu Kui, vice governor of Heilongjiang Province, Liang Guo Zun, mayor of Mudanjiang City and Lu Yao Xun, president of Mudanjiang Air Conditioner Factory, as well as staff members of Daewoo Automotive Components and Daewoo Precision Industries, which provided the technology and facilities.

Daewoo Corp. signed a contract with China National Technical Import & Export Corp. in December 1992 to export compressor production technology.

Daewoo will also export related materials and components worth $50 million to China by 2002.

Seoul, Czech Republic Initial Visa Waiver Accord

SK1309065394 Seoul YONHAP in English 0644 GMT 13 Sep 94

[Text] Seoul, Sept. 13 (YONHAP)—South Korea and the Czech Republic have initialed an agreement waiving visa requirements, the Foreign Ministry said Tuesday [13 September]. The agreement, inked in Czech, waives visa requirements for travelers from the two countries who stay 90 days or less. The accord will be signed and put into effect after it is subjected to full domestic procedures.

Visa Requirements Waived for Trinidad Tobago

SK1509005194 Seoul YONHAP in English 0021 GMT 15 Sep 94

[Text] Seoul, Sept. 15 (YONHAP)—South Korea and Trinidad and Tobago exchanged a memorandum on a visa waiver for their nationals traveling to each other's country Thursday [15 September]. The memorandum was swapped by South Korean Ambassador Song Yong-sik and Trinidad and Tobago's Foreign Minister Ralph Maraj in Port of Spain. It waives the entry visa requirement for those staying 90 days or less beginning Oct. 15.

Minister Supports WTO, APEC Cooperation

SK1409032594 Seoul YONHAP in English 0225 GMT 14 Sep 94

[Text] Seoul, Sept. 14 (YONHAP)—South Korea's choices for the coming century should be the World Trade Organization (WTO) and the Asia-Pacific Economic Cooperation (APEC) forum, which will bind east Asia and North America in mutual dependence, Foreign Minister Han Sung-chu said Wednesday [14 September].

"The remarkable economic development of east Asia in the past was made possible by the area's pacific orientation," Han said in a speech at the Pacific Basic Economic Council (PBEC) here.

"The most essential factor in Asia-Pacific cooperation is the mutual dependence that binds east Asia and North America together," the foreign minister emphasized.

South Korea's main priority lies in promoting such interdependence—supporting and strengthening the relationship while suppressing any element that undermines it.

"First, the General Agreement on Tariffs and Trade (GATT) and the WTO are not only important in themselves but will promote interdependence and thus have to become our priority choice," he said. "Second, we have to increase the activities of the Asia-Pacific Economic Cooperation (APEC), precisely because the principle behind its establishment is maintenance and enhancement of interdependence between east Asia and North America."

Government Not To Intervene in Exchange Rate

SK1609034294 Seoul THE KOREA HERALD in English 16 Sep 94 p 8

[Text] The government will not intervene to prevent the Korean won from gaining against the U.S. dollar, an official from the Economic Planning Board (EPB) said yesterday. The official made the remarks when the won was threatening to break the exchange rate of 800 won for one dollar.

The government's economic policy gives top priority to curbing inflation, he said, adding that government intervention in the foreign exchange market would raise consumer prices.

"The central bank would have to buy dollars if it is to keep the won from strengthening," the official said. "That would mean pumping more money into the market, which would fuel inflation. The government has no intention of taking such a measure."

The won's appreciation, which makes Korean products more expensive in the world market, is certain to slow down the brisk performance of exports. As they will be made cheaper by the strong won, Korean imports will rise and widen the trade deficit. But the government is prepared to pay this price in its fight against inflation, the EPB official.

Consumer prices have gained 6 percent from the outset of this year, the level below which the government had promised to keep the consumer price index by year-end.

The government needs to address the problem of price increases immediately, the EPB official said.

During the past several weeks, the government has been persuading private enterprises to lower prices. Some home appliance and garment makers have cut prices while the auto companies declined the government request. The government has also lowered the prices of gasoline and kerosene.

Inaction by the government against the won's appreciation appears to be permissible, at least at the moment, as the Japanese yen has gained against the dollar more than the Korean won has. The won has gained less than 1 percent against the dollar since the start of this year, compared with the yen's appreciation of almost 13 percent. As a result, Korean exporters have a comparative advantage over their Japanese counterparts.

The EPB expects the nation's trade deficit this year to range from $3 billion to $3.5 billion, up from its July projection of $2 billion. However, the EPB does not have many qualms about the widening trade deficit, which it says results mostly from an increase in the import of machinery and equipment. The nation needs to import facilities if it is to increase production and generate more exports.

In addition, the EPB believes the nation, whose trade will be close to $200 billion this year, will be able to tolerate the projected trade deficit.

Seoul Decides on Foreign Workers' Compensation

SK1609061694 Seoul YONHAP in English 0607 GMT 16 Sep 94

[Text] Seoul, Sept. 16 (YONHAP)—The South Korean Government has decided to compensate foreigners who suffered industrial mishaps in the country but have been expelled due to their illegal status without being compensated for the damage.

The government's plan to protect foreign laborers was decided by the Labor Ministry on Friday [16 September] at a meeting with the Justice and Foreign Ministries held to seek measures on illegal stays by foreign workers.

At the meeting, the ministries decided to receive reports from foreign workers who suffered industrial accidents while in Korea at report centers to be set up at diplomatic missions in such foreign countries as the Philippines, Nepal, Bangladesh, Sri Lanka and India.

Foreign sufferers of industrial mishaps will accordingly be paid money when their sufferings are confirmed by the Labor Ministry after they report on the nature of the accidents involving them.

In addition, the government is moving to allow the re-entry of such foreign workers when they file suit in connection with industrial mishaps.

To protect the human rights of workers who are in Korea illegally, the Labor Ministry decided to establish civil petition centers at 45 of its local offices across the country.

On Feb. 7, the Labor Ministry decided to apply industrial accident compensation insurance for foreign workers retroactive to three years, but there was no way to compensate workers who had already been sent home.

Suspected Counterfeiter Referred to Prosecution

SK1509021494 Seoul YONHAP in English 0132 GMT 15 Sep 94

[Text] Seoul, Sept. 15 (YONHAP)—Police on Thursday [15 September] referred to the prosecution a Pakistani suspected of circulating counterfeit money, Amir Rashid Suppra [spelling of name as received], on charges of handling bogus bills.

Suppra has allegedly exchanged or possessed 19,200 U.S. dollars in counterfeit 100-dollar notes in Seoul, Pusan, Taegu, Inchon and Taejon since April. The fake 100-dollar bills he exchanged at several hotels in southern Seoul were first uncovered on Sept. 4. The 26-year-old Suppra was arrested in Seoul on Sept. 10.

Meanwhile, police sought an arrest warrant Thursday for Suppra's friend, who allegedly burned 2,000 dollars in counterfeit bills he received from Suppra. An illegal worker identified as Syed Liaqua Ali [spelling of name as received], 26, is charged with destruction of evidence.

President Not To 'Tolerate' Acts of Corruption

SK1309112094 Seoul YONHAP in English 1033 GMT 13 Sep 94

[Text] Seoul, Sept. 13 (YONHAP)—President Kim Yong-sam warned on Tuesday he would not tolerate any acts of group selfishness or corruption under all circumstances.

"The most important thing we should do at this time when we are at the watershed of entry into the column of advanced countries is to shatter all acts of group selfishness," Kim said.

In a speech at a tea party he hosted at Chongwadae [presidential offices] for the Central Committee members of the ruling Democratic Liberal Party he heads, the president said answers to all problems should be found from a direction that best serves the interests of the country and the whole people.

Saying that corruptive acts which he said had once subsided are resuscitating lately, President Kim said, "We will track down to the last and deal rigidly with all those involved in corruption."

"We must now liberate ourselves from the evil of corruption and irregularities," Kim said. "So long as there persists corruption, no country can prosper."

He said that some times the voice of the minority sounds bigger than that of the majority. "But, I will never allow the minority to reign over the majority," the president said.

'Firm' Devices Against Corruption

SK1609113394 Seoul YONHAP in English 1118 GMT 16 Sep 94

[Text] Seoul, Sept. 16 (YONHAP)—President Kim Yong-sam on Friday told the government camp to legislate firm legal and institutional devices to uproot acts of corruption and irregularities.

Chongwadae [presidential offices] spokesman Chu Ton-sik said the president gave the instructions while presiding over a meeting of his senior secretaries, expressing deep regret at the embezzlement of large amounts of taxes by Inchon public officials.

"It is deplorable that such an incident had happened despite the fact that I have been trying hard to eliminate acts of corruption and irregularities at the stake of all things of my presidency," Kim was quoted as saying.

The president called for the legislation of such legal steps as speedily as possible by broadly sampling public opinion on the matter, Chu said.

Confiscating Corruption-Obtained Property Studied

SK1609060394 Seoul YONHAP in English 0133 GMT 16 Sep 94

[Text] Seoul, Sept. 16 (YONHAP)—The government is studying ways to confiscate property amassed by public servants through corruption in a move to eradicate irregularities in officialdom, a senior official in charge of audits and inspections said Friday [16 September].

He said, "We are studying ways to confiscate the property public servants obtained through corruption, including bribes, as well as the fortunes they were able to build thanks to ill-gotten gains."

He suggested the government may revise related laws, saying that the "current laws are not sufficient to root out the worst types of irregularities like the corruption of Inchon city tax officials."

Some tax officials at the Puk-ku (north ward) Office in Inchon city were recently arrested after it was discovered they had misappropriated huge amounts of tax revenue.

The government has already begun to collect basic data on similar laws in other countries and is trying to determine means to minimize any controversy over state action on private property that such confiscation might trigger, the official added.

A meeting of working-level officials in charge of audits and inspections will be held at Chongwadae, the presidential office, Friday to discuss possible revision of anti-corruption laws.

Government: Tax Officials To Register Assets

SK1609060994 Seoul YONHAP in English 0457 GMT 16 Sep 94

[Text] Seoul, Sept. 16 (YONHAP)—The government decided Friday [16 September] to have all tax officials register their assets in an effort to root out and prevent corruption.

The government, made more aware of serious corruption among public servants by the recent scandal in Inchon involving tax officials, held a meeting of vice minister-level officials to discuss eradicating irregularities in officialdom.

All other public servants working in the fields of civil service including construction, health, sanitation, environment, transportation, consumer affairs, investigation and military affairs may also have to register their personal assets sometime later, the meeting decided.

Kim Si-hyong, chief assistant to the prime minister for administrative coordination, presided over the meeting attended by Vice Home Affairs Minister Yi Hyo-kae, Vice Government Administration Minister Sim U-yong and other senior officials in charge of investigation and tax.

A task force to check and judge each ministry's system of preventing corruption will be established at the prime minister's office.

Each ministry will also form a team to prevent irregularities and study measures to improve the internal working system to prevent corruption among low-level officials.

Inchon Officials Face Questions in Tax Scandal

SK1609064194 Seoul YONHAP in English 0630 GMT 16 Sep 94

[Text] Inchon, Sept. 16 (YONHAP)—Ranking Inchon city officials who had "black relations" with An Yong-hui, a former tax collector at the Puk-ku Ward Office arrested earlier in the week for embezzling tax revenues while in office, before he quit under an early retirement plan in June last year, will have to face the prosecution's investigation.

An, 53, had served in the ward office's tax section for 18 consecutive years until his retirement last year, working under the direct control of no fewer than 17 senior officials.

Rumors have it that he was able to work in the "money-making section" for such a long time because he established "black connections" with these senior officials.

The rumors were partially confirmed by an himself during prosecutors' interrogation, when he said he had sold a 191-square- meter lot to Kang Ki-pyon, then the assistant ward head directly above him and now policy assistant to the mayor, for only 40 million won and that

Kang resold it for 120 million won without registering the ownership transfer from An.

Accordingly, the senior city officials to whom An was directly responsible in 1991 and 1992 are being subjected to the prosecution's investigation.

Receipts of acquisition and registration taxes issued by the ward office in 1991 and 1992 have disappeared: It was during these two years that many apartment buildings were built in the area under the ward's administrative control. Consequently, An is suspected of embezzling these tax revenues and giving part of the money to his superiors as bribes.

Among these senior officials at Inchon city hall are a certain Yi, Health and Social Affairs bureau director: a Song, chief auditor: a Kim, area economy bureau director: and another Kim, dismissed last week in connection with the tax embezzlement case.

Pak Chol-on Plans 'Quiet Life Serving Society'

SK1609061494 Seoul YONHAP in English 0603 GMT 16 Sep 94

[Text] Seoul, Sept. 16 (YONHAP)—"Having buried all the indignation and grievances I felt in prison, I'll live a quiet life serving society, embracing all people with love and a warm heart."

These were the words of former lawmaker Pak Chol-on upon his release from prison on parole Friday [16 September].

Pak, convicted of taking bribes from a slot-machine kingpin and sentenced to one and a half years' imprisonment, was greeted by his wife, Rep. Hyon Kyong-cha, and some 50 relatives, friends and members of the United People's Party when he stepped out of Seoul prison in Uiwang city, Kyonggi Province, at 10 A.M. Friday.

Proclaiming his innocence once again, Pak said, "Even if an innocent person is convicted, a non-existent crime does not emerge. Time and history will prove my innocence without fail."

Asked to comment on the Kim Yong-sam administration, he had this to say: "I only hope that the present government will do its best to achieve unification and realize a Korean national community in which the people share a happy life... I particularly urge the prosecution to enforce the law fairly so that they may respect civil rights and develop democracy."

Army General Chong Dismisses Chon's Answers

SK1509124494 Seoul YONHAP in English 1148 GMT 15 Sep 94

[Text] Seoul, Sept. 15 (YONHAP)—Chong Sung-hwa, a retired Army general who was Army chief of staff at the time of the Dec. 12, 1979 military upheaval, on Thursday rejected as "full of fiction and invention" former President Chon Tu-hwan's description of the incident.

In voluminous answers he tendered on Thursday in response to prosecution questionnaires, Chon asserted the Dec. 12 incident was an accidental clash that occurred in the course of apprehending Chief of Staff Chong on suspicion of his involvement in the assassination of President Pak Chong-hui.

"It is nonsensical for Chon to claim that I took part in the assassination and that I deliberately did not report on the assassination to the acting president and the defense minister at the suggestion of Kim Chae-kyu, the assassin," Chong Sung-hwa said.

He added that if Chon Tu-hwan actually means what he claims, he should show up at a court trial and make himself available to fair judgement.

Meanwhile, Chang Tae-wan, who was commander of the capital garrison command as Army Maj. Gen. and who vainly tried to crush Chon's action, said that even if the Army chief of staff were suspected of having taken part in the assassination, he could have been investigated only after he was duly relieved of his duty in a presidential personnel action.

"It is an obvious act of law violation and mutiny for Chon Tu-hwan to apprehend the Army chief without presidential approval," Chang said.

Chang then disclosed that some of those who played active roles in the Dec. 12 action, had urged him many times to join them in the "rebellion" before the action.

Prosecution Plans To Question Former President

SK1509113194 Seoul YONHAP in English 1037 GMT 15 Sep 94

[Text] Seoul, Sept. 15 (YONHAP)—The prosecution, looking into the cases of charges and counter-charges related to the Dec. 12, 1979 military upheaval, will deliver written questionnaires to former President Choe Kyu-ha around Friday on the actions he took with regard to the incident.

A prosecution source said Thursday questionnaires for Choe were being readied based in part on the answers former President Chon Tu- hwan, who as an army major general led the 1979 military action, tendered to the prosecution Thursday.

The prosecution plans to decide whether to take legal actions against the accused and accusers by the end of this month, the source added.

Court: Reading Communist Literature Not Illegal

SK1509015194 Seoul THE KOREA HERALD in English 15 Sep 94 p 3

[Text] The Supreme Court yesterday ruled that the act of reading and keeping communism-related publications for academic study does not constitute a violation of the National Security Law.

In an appellate case involving two former college students indicted on charges of having read communism-related booklets, the top court upheld a verdict of "not guilty" rendered by a lower court.

The ruling puts the brake on the prosecution and the police alike on arresting those who just read or keep pro-communism books for violation of the National Security Law, court sources said.

The two, identified as Yi Ki-on, 26 and Yi Sang-hui, 23, were indicted in January 1991 for reading communism-related social science books while attending Chonbuk National University in Chonju, North Cholla Province. The books include the theory of socialism advocated by Marx, dialectical materialism and class struggle as the fundamental force in history.

"The fact that they just read the books out of academic curiosity cannot be regarded as an act praising North Korea and benefiting the enemy," said Chon Kyong-song, a judge at the court.

Assembly Selects Constitutional Court Judges

SK1309122694 Seoul YONHAP in English 1141 GMT 13 Sep 94

[Text] Seoul, Sept. 13 (YONHAP)—The National Assembly on Tuesday voted for the nomination by the president of Kim Yong-chun, former supreme court judge, as new head of the Constitutional Court. The assembly also selected three new Constitutional Court judges. They were Kim Mun-hui, present adjudicator: Sin Chang-on, chief of the Pusan District Prosecutor's Office: and Cho Sung-hyong, a lawyer. Of the three, Kim and Sin were recommended by the ruling Democratic Liberal Party and Cho by the opposition Democratic Party.

President Kim, in his part, named Kim Chin-u, present Constitutional Court judge, and Chong Kyong-sik, chief of Taegu High Prosecutor's Office, as new judges of the Constitutional Court.

The chief justice, meanwhile, picked Ko Chung-sok, former chief judge of the Kwangju Appellate Court, as an adjudicator.

Under the basic law, the president appoints the adjudicators of the Constitutional Court as chosen by the president, the chief justice and the National Assembly.

Government Reshuffles High-Ranking Prosecutors

SK1509014694 Seoul THE KOREA HERALD in English 15 Sep 94 p 3

[Text] The government yesterday carried out a reshuffle of ranking prosecutors, appointing Kim Ki-su, chief of the Pusan High Prosecutor's Office, as director of the Judiciary Training Institute at the Justice Ministry.

Kim Ki-suk, vice justice minister, was named chief of the Seoul High Prosecutor's Office. He succeeds Kim Hyon-chol who retired Tuesday [13 September]. In the shake-up, Song Chong-ui was retained as deputy prosecutor general while Hwang Sang-ku, chief of the Kwangju High Prosecutor's Office, was named chief of the Taegu High Prosecutor's Office.

Kim Taek-su, director of the correction bureau at the Justice Ministry, was named chief of the Pusan High Prosecutor's Office and Choe Myong-son, chief of Taegu District Prosecutor's Office, was appointed chief of Taejon High Prosecutor's Office.

Navy Reports Shortage of Officers, NCO's

SK1309122794 Seoul CHOSON ILBO in Korean 13 Sep 94 p 2

[By reporter Kyong Yong-won]

[Text] It was revealed on 12 September that the Navy is suffering from a shortage of 2,000 officers and noncommissioned officers [NCO's], making it impossible to put in operations 30 of its old model ships, which is about 10 percent of the total Navy ships.

According to the Ministry of National Defense [MND] and the Navy, a considerable number of new model ships have been added to the Navy since 1989, and the Navy requested the MND an increase of the number of troops to operate them, but the MND turned down the request on the grounds that increasing the budget and military manpower is hardly possible, thus causing this frustrating situation.

In view of the increasing seriousness of shortage of manpower, offering great difficulty in combat support and officers' retraining, because the Navy has only 85 percent of the manpower of officers and noncommissioned officers for the regular Navy formation at present, the Navy conducted an investigation jointly with the Joint Chiefs of Staff early this year and submitted a report stating that the Navy will have a shortage of 2,500 officers and noncommissioned officers by the year 2000.

* DSC's 'Out-With-KMA-Graduates' Moves Noted

942C0177B Seoul HANGYORE in Korean 23 Jun 94 pp 28-30

[By a special investigative reporting team: "DSC's 'Out-With-KMA-Graduates' Move—Forced Retirement of Inspector General Sparks Fierce Protest"]

[Text] "Now, our three services have completely established themselves. I am gratified to see the armed forces well stabilized and devoted to its mission in keeping with the order of reform and change."

So said President Kim Yong-sam on 26 May, expressing his satisfaction while putting an admiral badge on Kim Hong-yol, chief of naval operations. The president said that day, "I am full of emotion." And it was perfectly understandable. One year and three months after he took office, he had just put the finishing touch to his work of replacing all top military leaders with his men. In this period, he—whose "presidential dream" in the past had been interrupted by the military more than once—made all the promotions and appointments for the 20 full generals and admirals and 20 lieutenant generals and vice admirals. And he personally put the badges on each of them in accordance with the established practice. In particular, with the major generals currently in service, too, who represent the key commanding officers in the field armies, most of them were promoted or appointed by him. As far as the military was concerned, he could very well say that he had "achieved all that he set out to achieve."

Unfortunately, though, a "smoldering feud" is being rumored in the military which he has restructured, with an intensity enough to make him uneasy to express a feeling of satisfaction. It is particularly so in the Defense Security Command [DSC], which is considered not only the nerve center but an organization that should prevent and correct such troubles in the military.

Power Struggle Behind Feud?

Recently—in late May to be more precise—rumors of friction within the DSC, and of its political backdrops, began circulating in the so-called private information market. Those rumors had it that the DSC's top leader "purged" a high-ranking officer who was his potential rival, and that in its background was a power struggle within the RDP [former Reunification Party] faction in the ruling party. The pattern was familiar: Friction within a ruling faction coincided with that in the DSC and gave rise to a leadership struggle in the military.

But the reliability of this "private" information was not high enough to warrant straight reporting. Nor was it a pure "fabrication." We found evidence to back it up in part. We could confirm at least the part dealing with severe frictions between graduates of the Korean Military Academy [KMA] and non-KMA officers. We also found the reason KMA graduates are protesting understandable. In fact, virtually all KMA graduates have been excluded from the DSC since the start of the new government. Former Inspector General M (colonel), who figures in the "private information," was virtually the only KMA graduate left in a key DSC post before his separation. It has been confirmed that currently he is being processed for discharge from active service "against his will."

Colonel M, a member of the KMA 28th class, has worked in the DSC for the last 18 years. He did not belong to Hanahoe and, for that reason, he remained in obscurity for most of that period. It was the first major appointment he received when he was made the director of the 5th Department in the DSC headquarters in 1991. In December 1992, however, he was demoted to commander of the Kangnung regional unit in the last military shake-up of the No Tae-u government, carried out to fill major military posts with President No's men. The reason cited for the "exile" was his being too "political." In fact, he was said to have been very close to Kim Yong-sam, then the presidential candidate of the Democratic Liberal Party, in what was seen as a rare phenomenon among major military officials at the time. He was held "culpable" for that decisive factor. For the same reason, however, he later made a celebrated comeback to the DSC as inspector general to lead the so-called military reform in the first line, in a blitz shake-up carried out in early March last year immediately after the start of the new government. But that again did not last long. He was abruptly transferred to the central regional unit as its commanding officer by the new DSC leadership of Commander Yim Chae-mun and Chief of Staff Song Tae-song installed in the second shake-up in October. Seven months after that, he was forced to sign a "written request for voluntary discharge from active service" by an order from above. Ironically, he found himself in the same plight as he had imposed earlier on Hanahoe members.

Victim of Power Struggle or Involved in Irregularity?

In this connection, DSC officials insist that the only reason for his separation is his involvement in an irregularity case while he was the commanding officer of the Capital Corps security unit. Their point is that although he should have been taken into custody, they stopped short of arresting him in consideration of the extenuating circumstances. They charge that when he was in the post of inspector general in particular, he excessively showed off his influence, causing a sense of incongruity in the military. However, those sympathetic with Colonel M contend that the action against him is nothing but a "removal" reflecting the personal designs of a few key officers in the DSC. The irregularity case in question, a land reclamation scandal, was already cleared by a joint investigation of five ministries and agencies including a special prosecutor team. If there had been any wrongdoing, it should have been dealt with at that time. They protest, why now?

For a number of reasons, they see Colonel M as a victim of a power struggle. He was virtually the only KMA graduate in the DSC who had a chance of being promoted to a general. Also, for his close relationship with people in the center of power since the Kim Yong-sam campaign days, they thought that he even had a chance of becoming the DSC commander. Consequently, the present DSC leadership inevitably would see him as an obstacle to their careers. The fact that the present chief of staff, who is placed closest to being the next commander, was known to have been a most active supporter of the action against him has proved to be the most important factor making them believe that Colonel M is indeed a victim of a power struggle. This person, the chief of staff, had earlier served as chief secretary for three successive DSC commanders who were all from Hanahoe and under direct influence of President No Tae-u, beginning with Cho Nam-pung. From that time on, he has been in a very strained relationship with Colonel M, they say.

"Eliminating Hanahoe Means Excluding KMA Graduates?"

Beyond the question of who is right and who is wrong in the arguments between the two sides, there is a thing more disturbing to KMA graduates. It is the unusual phenomenon observed since the start of the new government: an excessive curb being put on KMA graduates. Some interested sources in the military say they are worried "if the new government understands eliminating Hanahoe as meaning excluding KMA graduates." In fact, until the new government took over, most of the DSC posts—including the commander, the chief of staff, the directors of the First, Second, and Third Departments, the inspector general, the commanding officers of the security units in the three services and as well as the Ministry of National Defense [MND], which are the DSC's auxiliary units, had been filled with KMA graduates. In addition, other posts—such as the chief of the Fifth Division of each department, regarded as most important of all the division chiefs (lieutenant colonels) responsible for working-level execution and planning, and the chiefs of the officers affairs section and the trends section which are major-grade posts—were also filled by KMA graduates. Under the new government, however, it is known that only one or two KMA graduates remain in the above-listed posts. It cannot but be a sad situation for KMA graduates.

As it was with its predecessors—the Armed Forces Security Command, the Army Security Command and the Counter Intelligence Corps [CIC]—the DSC has been the symbol of a successful career and pride for KMA graduates. In fact, since the 16 May [1961] coup d'etat, it has been the practice of the KMA seniors to select five "outstanding" juniors from each class and assign them to the DSC and thus set a "royal course" for them to follow. The successive military leaders thus far have all been through this course. Chong Sung-hwa and Yun Pil-yong were the commanders of this organization in its CIC days in the Third Republic; Kim Chae-kyu and Kang Chang-song were the commanders after the CIC was reorganized into the Army Security Command. After it was again reorganized and expanded as the Armed Forces Security Command, Chin Chong-chae and Chon Tu-hwan served as the commanders.

Along with this history, the unique circumstances surrounding the nation's continuing military confrontation are serving as a backdrop that keeps the DSC's status just as high as ever amid any political changes. Now, the new government came and it took away the DSC from the hands of KMA graduates who are said to be the military's elite group. Currently, key DSC posts are filled with "non-KMA" officers including Yim Chae-mun, the commander (ROTC 3d class); Song Tae-song, the chief of staff (Air Force Academy), and Cho Chong-ho, the commanding officer of the MND security unit (ROTC 4th class). Also, the present director of the DSC's Security Department was once a grade A draftee and the inspector general is from the ROTC. KMA graduates are also gone from such working-level posts as the chiefs of the personnel and the investigation sections. In addition, the top posts of various military investigative agencies are filled with ROTC officers. The present commanding officers of the MND joint investigation team and the Army Criminal Investigation Detachment are of the ROTC 4th and 5th class respectively.

KMA for Army Leadership Posts, Non-KMA for Watchdog Posts

The DSC's view in this respect is that to check KMA graduates who currently virtually monopolize Army leadership posts and to keep an eye on them, it is necessary for non-KMA officers to lead watchdog organizations like the DSC. Its point is, how KMA graduates can effectively check and investigate other KMA graduates? But KMA graduates' response is almost brutally frank. A field-grade officer, who is himself a KMA graduate, said: "Medicine should be left to doctors with medical college training, not to semipros. The DSC is the nerve center in the gathering of military intelligence about North Korea and in keeping an eye on activities within the military. What in the world could it do when it is led by semipros and ex-enlistees?" "The case of Colonel M who has been told to voluntarily retire from active service," he said, "only shows the DSC's attempt to nip KMA graduates in the bud." The "hard feeling" of KMA graduates was all there in his word, undisguised.

Ministry To Modify Present Oil Price System

SK1609033394 Seoul THE KOREA HERALD in English 16 Sep 94 p 8

[Text] The Ministry of Trade, Industry and Energy has modified the present floating oil price system in preparation for liberalization of domestic oil prices. Under the present system, the ministry has been setting each month the consumer price ceilings for petroleum products based on the average crude oil import prices of the previous month. The price ceilings are valid from the 15th day of the month to the 14th day of the next month.

In the modified formula, the price ceilings will be calculated on the basis of the international prices of petroleum products of the previous month. The difference between the two calculation methods is that the modified system shortens the time gap between the fluctuations of international oil prices and those of domestic prices from the present two-three months to just one month.

The ministry also decided to announce the monthly price ceilings on the first day of each month instead of on the 15th day starting November. This change is for the convenience of consumers and domestic oil distributors.

Under the new formula, the ministry also intends to change the price structure of petroleum products. Currently, the domestic prices of gasoline and kerosene are much higher than those on international markets, while diesel oil and bunker-C oil are quoted at for lower prices.

From now on, the ministry will gradually lower gasoline and kerosene prices, while raising the prices of diesel oil and bunker-C oil.

"We will gradually change the price structure so that it resembles that on the Singapore spot market," a ministry official said.

The official said the September price ceilings for petroleum products already reflects this change. Compared with the previous month, the gasoline price was lowered by 8.55 percent, while bunker-C oil prices were raised by over 4 percent.

Public Said Consuming Less Rice, More Vegetables

SK1409013294 Seoul YONHAP in English 0124 GMT 14 Sep 94

[Text] Seoul, Sept. 14 (YONHAP)—Rice, the staple food in Korea, is losing weight in the nation's agriculture while vegetables are claiming a larger share, the Agriculture, Forestry and Fisheries Ministry said Wednesday [14 September]. Rice consumption per capita was 110.2 kg last year, down 2.7 kg from the year before, and will drop further to 107.5 kg this year, according to the ministry.

In contrast, vegetable consumption per capita increased 2.7 kg from 130.9 kg in 1992 to 133.6 kg last year and is expected to reach 135 kg in 1994.

Affected by the change in eating habits, rice's weight in the earnings of farming households fell to 37.7 percent last year from 41 percent in 1992, while vegetables claimed 21.6 percent of the earnings in 1993, up from 19 percent the year before.

Reflecting this trend, the area of cultivation for rice decreased to 1,103,000 hectares this year, down 33,000 hectares from last year. Most of the decrease was replaced by vegetable cultivation, according to the ministry.

Government To Reinforce National Security Council

SK1609052994 Seoul YONHAP in English 0507 GMT 16 Sep 94

[Text] Seoul, Sept. 16 (YONHAP)—South Korea, keeping pace with the changing conditions on the peninsula, plans to reinforce the National Security Council with a view to formulating security policy in a more efficient and comprehensive manner.

Due to be newly seated on the National Security Council are the chairman of the Joint Chiefs of Staff, the Senior Presidential Secretary for Foreign and National Security Affairs and the Emergency Planning Committee chairman, while the finance minister will be excluded.

In order to provide efficient operational support, the council will establish an Operations Bureau comprising Administration and Policy Coordination Offices. In addition, the council's chair will be empowered to designate key officials who can attend and express opinions at council meetings.

These are the salient points of a revision bill to the National Security Council law that the administration and the ruling Democratic Liberal Party have adopted and plan to pass during the current regular National Assembly session.

The move, designed to upgrade the nominal National Security Council into a top decision-making body like the U.S. body, has been worked out as rapid changes in inter-Korean relations including the nuclear issue and Washington-Pyongyang high-level talks may necessitate major decisions in the area of unification diplomacy and national security, ruling party sources said Friday [16 September]. It is also aimed at eliminating possible confusion among related ministries with regard to policies toward the North.

The National Security Council that is to be reinforced under the revision bill is expected to absorb the functions of the current Unification and Security Policy Coordination Meeting, whose legal status has been somewhat controversial.

Burma

Trawler Crew Sentenced for Smuggling Attempt

BK1609110294 Rangoon Radio Myanmar in Burmese 1330 GMT 15 Sep 94

[Text] While on coastal patrol duty on 22 February 1993, Navy patrol boat no. 415 stopped and impounded a trawler named Aung Ze Tun that was heading for Penang on the open sea about 100 miles west of Ye. The patrol boat arrested skipper U Kyaw Nyunt and 14 crewmen and seized 34 tons of teak, 846 viss [1,861.2 kg] of tin ore, gems, jewelry, and one walkie-talkie.

The owners of the Aung Ze Tun are Min Swe of No. 284, Aunglanmagyi, Sitkegon Ward, Moulmein and Win Kyu of Bogyoke Street, Zizawar Ward, Kyaikkami village, Thanbyuzayat. The trawler is registered to Win Kyu of Kyaikkami village, Thanbyuzayat. The teak was bought by owner Min Swe from Ko Hmu, alias Aung Khin, of (Kheyin) village, Thanbyuzayat and was to be delivered to Ko Hpat in Singapore. The tin ore belonged to Po Sein of (Kheyin), Thanbyuzayat and was being transported by skipper U Kyaw Nyunt for sale in Singapore. The gems and jewelry belonged to crew members U Win, Sein Hlaing, and Pe Thaung and were going to be sold in Singapore.

The case was tried at the West Yangon [Rangoon] Court under Article 3 of the Public Property Act and Article 109 of the Criminal Procedure Code. On 8 August 1994 the court gave life sentences to U Kyaw Nyunt and the 14 crewmen. The court also ordered that action be taken against Min Swe; Win Kyu; Ko Hmu, alias Aung Khin; and Po Sein—all of whom absconded—under Article 87/88 of the Criminal Procedure Code.

U Aung Toe's Report to Convention, Part 2

BK1509070494 Rangoon THE NEW LIGHT OF MYANMAR in English 4 Sep 94 pp 1-5

["Second part" of speech by U Aung Toe, chief justice and chairman of the National Convention Convening Work Committee, to the plenary session of the National Convention at Rangoon's President's Residence compound on 2 September]

[Text] The principles that will form base for the chapters—legislature, executive and judiciary—are related to one another. There also include some principles which are to be dealt with when the specific chapters are discussed. Some of the principles which will serve as base are to be coordinated between one chapter and another.

Hence, discussions will be disjointed if the chapters—legislature, executive and judiciary—are deliberated separately. In order to lay down the principles to serve as base for the chapters—legislature, executive and judiciary—discussions can be highlighted on three sections. They are: organization, distribution of powers, and functions for each chapter, to be discussed separately.

So, I will present points what we have studied in connection with organization of the chapters—legislature, executive and judiciary—to avoid disjoints in the delegates' discussions and in forwarding suggestions.

Esteemed Chairman,

To deal with the chapter on legislature first, a principle has been laid down to serve as base as follows: "the legislative power of the State is distributed among Pyidaungsu Hluttaw [Union Parliament], Region Hluttaws and State Hluttaws; legislative power stipulated by the State Constitution shall be distributed to self- administered areas."

Based on that principle, the following principles should be laid down in detail to serve as base:

1. The legislative power of the State is distributed among the Pyidaungsu Hluttaw, Regions Hluttaws and State Hluttaws;

2. Legislative power stipulated by the State Constitution shall be distributed to self-administered areas.

Esteemed Chairman,

Principles laid down to form base in connection with the Pyidaungsu Hluttaw are as follows:

1. Pyidaungsu Hluttaw consists of two Hluttaws—one Hluttaw elected on the basis of population and the other one with equal number of representatives elected from regions and states;

2. Pyidaungsu Hluttaw, Region Hluttaws and State Hluttaws include Tatmadaw [Defense Services] servicemen Hluttaw representatives nominated such by the Defense Services Commander-in- Chief in numbers stipulated by the State Constitution.

Esteemed Chairman,

In laying down the principles to form base the terms "Hluttaw elected on the basis of population" and "Hluttaws elected with equal number of representatives elected from regions and states" were used.

Now principles in detail to form base for the respective chapters are to be discussed and it should be taken into consideration first what terms should be used for the two Hluttaws.

There were two Hluttaws in the country under the 1947 Constitution. One Hluttaw was called "Chamber of Nationalities" and the other "Chamber of Deputies."

According to the principle laid down to form base, two Hluttaws shall be constituted in our country. In the 1947 Constitution and 1974 Constitution, the Pyithu Hluttaw [House of Representatives] elected on the basis of population was termed "Pyithu Hluttaw" and similarly in laying down the principles to form base for the Constitution to be written, the Pyithu Hluttaw to be elected on the basis of population should be termed "Pyithu Hluttaw".

The Hluttaw constituted with equal number of representatives elected from regions and states, however, should be termed "Amyotha Hluttaw [House of Nationalities]" to signify the involvement of all the national races. Suggestions are to be forwarded if there are more suitable terms.

Esteemed Chairman,

In my clarifications, I will use the term "Pyithu Hluttaw" for the Hluttaw elected on the basis of population and the term the "Amyotha Hluttaw" for the Hluttaw constituted with equal number of representatives elected from regions and states for the sake of clarity of the delegates.

Esteemed Chairman: In accordance with the principle to form base I have just presented, it should be laid down in detail in constituting the Pyidaungsu Hluttaw:

The Pyidaungsu Hluttaw consists the following Hluttaws:

(1) the Pyithu Hluttaw constituted with representatives elected on the basis of population and Tatmadaw servicemen Hluttaw representatives nominated such by the Defense Services commander in chief.

(2) the "Amyotha Hluttaw" constituted with equal number of Hluttaw representatives elected from regions and states and Tatmadaw servicemen Hluttaw representatives nominated by the commander in chief of the Defense Services.

Esteemed Chairman: Clarifications in connection with the formation of Pyithu Hluttaw will be given. It is found that according to the 1947 Constitution, the Pyithu Hluttaw was formed with 250 Pyithu Hluttaw members. According to the 1974 Constitution, the First Pyithu Hluttaw was formed with 451 Pyithu Hluttaw members, the Second Pyithu Hluttaw with 464 Hluttaw members, the Third Pyithu Hluttaw with 475 Hluttaw members and the Fourth Pyithu Hluttaw with 489 Hluttaw members.

It has been found that the Pyithu Hluttaw should be formed with 440 Pyithu Hluttaw members according to the population of our country and to enable the participation of majority of the national races residing in the entire Union. In forming the Pyithu Hluttaw with a maximum of 440 members, it should be done with 330 elected Pyithu Hluttaw members and 110 Tatmadawmen Pyithu Hluttaw members.

The reason for saying that 330 elected Pyithu Hluttaw members should be included in forming the Pyithu Hluttaw is that there are now 324 townships in the Union of Myanmar [Burma] and all national races reside in these townships. The population of some township is high and some township is low. However, as it is found that all national races live together in all the townships, the election is held in township constituencies which are designated based on the population of the township and therefore, many national races will have the chance to be included in the Pyithu Hluttaw. Hence, it is necessary to elect one Hluttaw representative each in townships where the population has up to 300,000 people and one Hluttaw representative in townships with the population which is more than 300,000. It is to be prescribed that the number of Pyithu Hluttaw thus elected should not exceed 330. If the number of Hluttaw representatives elected falls short of the prescribed 330, then it is to be prescribed under the Election Law for electing one Pyithu Hluttaw representative each from the townships where the population exceeds 300,000 and this is to be done beginning from the township which has the highest population.

Esteemed Chairman: The Tatmadaw has the responsibility to shoulder the national duty by holding in high esteem our three main national causes—nondisintegration of the Union; nondisintegration of national sovereignty and perpetuity of sovereignty. It is quite evident that the Tatmadaw is seen to have stood firm in making sacrifices for the sake of the country and the people and a high historical tradition and to preserve and defend our three main national causes.

In order that the Tatmadaw may be able to participate in the national political leadership role of the future state and to continue to defend and preserve our three main national causes, it will be proper to have 110 Tatmadawmen Hluttaw representatives in the Pyithu Hluttaw. It is to assumed that this is an appropriate ratio.

Therefore, in connection with the forming of the Pyithu Hluttaw it should be formed with 440 Hluttaw representatives a detailed policy to be taken as base should be laid down as follows:

(a) based on the population the number of Hluttaw representatives elected should not exceed 330;

(b) the number of Tatmadawmen Hluttaw representatives nominated by the commander in chief of the Defence Services should not exceed 110.

Esteemed Chairman: After the formation of the Pyithu Hluttaw it is vital to have the Panel of Chairmen to supervise the Pyithu Hluttaw. Hence the principle to be based on electing the Panel of Chairmen of the Pyithu Hluttaw will be presented.

It is necessary to elect one alternate chairman to supervise over the meeting for electing the Pyithu Hluttaw Panel of Chairmen. This is necessary to enable Pyithu Hluttaw members to take the oath of office in the presence of the Panel of Chairmen when the first session of the first Pyithu Hluttaw commences for one Pyithu Hluttaw term.

Therefore, in connection with the electing an alternate chairman a detail policy to be taken as base should be laid down as follows:

1. one alternate chairman shall be elected from among the Pyithu Hluttaw members at the commencement of the first session of the first Pyithu Hluttaw term;

2. the alternate chairman shall take the oath of office in the presence of Pyithu Hluttaw; and

3. the alternate chairman shall continue to supervise up to the time of electing Panel of Chairmen of the Pyithu Hluttaw and Vice Chairman.

Esteemed Chairman: I will continue to explain elections to offices of the chairman and vice chairman of the Pyithu Hluttaw [House of Representatives].

It is found in constitutions of some nations that supervision of functions concerning the Hluttaw is carried out by means of appointing Hluttaw heads or through elections.

According to the 1947 Constitution, heads of the two Hluttaws are elected by the representatives of the respective Hluttaw. According to the 1974 Constitution, the Panel of Chairmen was elected by people's Pyithu Hluttaw representatives.

According to the 1947 Constitution, head of the Chamber of Nationalities was termed "Nayaka" [Speaker] and head of the Chamber of Deputies "Okkahta" [Speaker]. According to the 1974 Constitution, member of the Panel of Chairmen who presided at each regular session of the Pyithu Hluttaw was termed "Ahlekya Thabapati" [Alternate Chairman].

It will become necessary for the Pyithu Hluttaw [House of Representatives] to be formed in future to have heads of the Pyithu Hluttaw to oversee and carry out functions concerning the Pyithu Hluttaw. So head of the Pyithu Hluttaw should be termed "Thabapati" [Chairman].

Esteemed Chairman: The Pyithu Hluttaw will have to play an important role in legislation. Should only a chairman be assigned duties to preside over regular sessions of the Pyithu Hluttaw and supervise Pyithu Hluttaw-related functions, there will be a heavy burden of duties on the respective chairman. It is found that if a vice chairman be designated to support the chairman, Hluttaw-related functions will be properly managed.

So, regarding elections to offices of the chairman and vice chairman of the Pyithu Hluttaw, it should be laid down as detailed fundamental principles;

1. In the Pyithu Hluttaw,

(a) The Pyithu Hluttaw representatives shall elect a chairman and a vice chairman of the Pyithu Hluttaw from among themselves;

(b) If the office of the chairman or the vice chairman is vacant, it shall be substituted by election at the next Pyithu Hluttaw session;

(c) If the chairman becomes incapacitated, the vice chairman shall temporarily assume the duties of the chairman;

2. Proceedings for elections to the office of the chairman and the vice chairman shall be prescribed by enacting law.

Esteemed Chairman: Regarding the performance of duties by the Pyithu Hluttaw chairman and vice chairman, it is observed that the chairman and the vice chairman elected by the Pyithu Hluttaw for continuous supervision of Pyithu Hluttaw-related functions are to continue to serve in office until the first session of the next term of the Pyithu Hluttaw is convened. So, regarding the performance of duties by the chairman, it should be laid down as a detailed fundamental principle that;

—The Pyithu Hluttaw chairman and vice chairman shall perform their duties until the first session of the next term of the Pyithu Hluttaw is convened.

Esteemed Chairman: The Pyithu Hluttaw chairman and vice chairman are persons who have to perform heavy duties such as supervision of Pyithu Hluttaw-related functions and presiding over the Pyithu Hluttaw sessions. So, it is necessary to prescribe their duties, rights, and privileges.

So, regarding duties, rights, and privileges of the Pyithu Hluttaw chairman and vice chairman, it should be laid down as a detailed fundamental principle that;

—Duties, rights, and privileges of the Pyithu Hluttaw chairman and vice chairman shall be prescribed by law.

It is common that duties, rights, and privileges of the Pyithu Hluttaw chairman and vice chairman are not prescribed in detail in the Constitution but by enacting a separate law. According to the 1947 Constitution, the chairmanship is of great status. So, it should be considered whether or not a detailed fundamental principle should be laid down for prescribing that the Pyithu Hluttaw chairman has the right to the status of the Vice President and the vice chairman to the status of the Pyidaungsu [Union] Minister so that they will be supportive to enacting the separate law.

Esteemed Chairman: The Pyithu Hluttaw chairman and vice chairman are persons elected by the Pyithu Hluttaw representatives. However, if they wish to resign from their offices of their own volition, they should be allowed. Moreover, as they are Pyithu Hluttaw representatives, they are subject to the Electoral Law and any other law. A detailed fundamental principle should be laid down that in the event of termination from being Hluttaw representatives or having no longer right to stand as Hluttaw representatives or removal from the offices of the chairman and vice chairman by the Pyithu Hluttaw, or death, it is to be deemed that they have already been terminated from chairmanship or vice chairmanship.

In connection with the removal of the chairman or the vice chairman of Pyithu Hluttaw from office, the detailed fundamental principle should be laid down as follows:

The chairman or the vice chairman of Pyithu Hluttaw shall be deemed to have been terminated from his duty as the chairman or the vice chairman in the event of his resignation, or removal from being a Pyithu Hluttaw representative, or having no right to continue to stand as a Pyithu Hluttaw representative, or cessation of his duty as the chairman or the vice chairman by the Pyithu Hluttaw, or his death.

Esteemed Chairman: It is essential to form committees with Pyithu Hluttaw representatives to enable the Pyithu Hluttaw to carry out tasks for promulgation, discussion, and study of laws in connection with State affairs.

According to the traditions of formation of the Hluttaws under the 1947 Constitution and the Hluttaw under the 1974 Constitution, and the Hluttaws of some countries, it is observed that Bill Committee, Public Accounts Committee, Hluttaw Privileges Committee, and Governmental Obligations Scrutinization Committee should be formed with Pyithu Hluttaw representatives.

Moreover, the Pyithu Hluttaw should have the power to form Hluttaw Committees with its representatives and invest them with duties as and when necessary to enable them to observe and report on legislation, administration, national races, economic, financial, social, and foreign affairs as well as other affairs.

Esteemed Chairman: If and when there is a reason to report on the Tatmadaw [defense services] affairs in addition to the defense and security affairs, the Defense and Security Committee should be formed with the Tatmadawmen Pyithu Hluttaw representatives.

It is essential for the Pyithu Hluttaw to determine the organization, duties, powers, privileges, and term of Hluttaw Committees. In addition, if there is a case to negotiate with the Amyotha Hluttaw, the Pyithu Hluttaw should have power to form a joint committee with equal members of representatives each from the Pyithu Hluttaw and the Amyotha Hluttaw and invest it with duties. The Pyithu Hluttaw should have power to elect representatives as members of the committee and invest duties and powers. The term of the joint committee should be determined till the report has been submitted to the respective Hluttaw.

Esteemed Chairman: The Pyithu Hluttaw and the Amyotha Hluttaw under the future Constitution will have to form Hluttaw Committees in accord with laws and observe a matter related to State affairs. Both Hluttaws have to observe the same matter together, for if they are to look into it separately, it will delay the work and, as such, the joint committee should be formed after coordination between the chairmen of the Hluttaws.

Hence, in connection with the committees of the Pyithu Hluttaw, a detail fundamental principle should be laid down as follows:

1. Pyithu Hluttaw shall form Bill Committee, Public Accounts Committee, Hluttaw Privileges Committee, and Government's Obligations Scrutinization Committee with Pyithu Hluttaw representatives;

2. Pyithu Hluttaw shall, if there is reason to observe and report the Tatmadaw affairs in addition to defense and security affairs, form Defense and Security Committee with the Tatmadawmen Pyithu Hluttaw representatives and determine the term of the Committee;

3. Pyithu Hluttaw shall, as and when necessary, form Hluttaw Committees with representatives of the Pyithu Hluttaw to observe and submit reports on legislation, administration, national races, economic, financial, social, and foreign affairs as well as other affairs, after determining the terms of the committees;

4. Pyithu Hluttaw shall determine the organization, duties, powers, privileges, and terms of Pyithu Hluttaw Committees;

5. Pyithu Hluttaw shall, if there is reason to negotiate with the Amyotha Hluttaw, elect Pyithu Hluttaw representatives and invest them with duties to be able to form a joint committee constituting equal members of the representatives each from the Pyithu Hluttaw and the Amyotha Hluttaw. The joint committee shall hold office till the report has been submitted to the Hluttaw concerned;

6. Pyithu Hluttaw and Amyotha Hluttaw shall, if both Hluttaws have to investigate the same matter except from those mentioned above in Sub-paras 1 and 2, form, after coordination between the chairmen of the Hluttaws, a joint committee constituting equal numbers of representatives each from the Pyithu Hluttaw and the Amyotha Hluttaw. Pyithu Hluttaw shall have power to elect the members of the joint committee and invest duties and powers. The joint committee shall hold office till the report has been submitted to the Hluttaw concerned.

Esteemed Chairman: Except duties of the Committees formed by the Pyithu Hluttaw, the Pyithu Hluttaw should have to seek the help of the experts not among the Hluttaw representatives if there is the need to know any subject related to the State affairs.

The Pyithu Hluttaw should have the right to form commissions or committees consisting of Pyithu Hluttaw representatives or suitable citizens when there arises the need to make an extensive study of matters.

So, principles should be laid down in specific detail to form base as follows in connection with the commissions and committees formed by the Pyithu Hluttaw:

1. The Pyithu Hluttaw shall form, if necessary, commissions and committees consisting of Pyithu Hluttaw representatives or suitable citizens;

2. When the Pyithu Hluttaw forms commissions and committees it shall prescribe membership, duties, rights, privileges, and terms of office of the commissions and committees.

Esteemed Chairman: Matters concerning the term of office of the Pyithu Hluttaw will now be clarified. Regular term of office of the Pyithu Hluttaw was prescribed four years under the 1947 Constitution and the 1974 Constitution. A basic principle has already been laid down prescribing the term of office of the President as five years under the new Constitution. Required by the laws promulgated by the Pyithu Hluttaw, the President of the Union shall perform the duties of the State. According to experience, more time will be needed to carry out the tasks if the term of the Pyithu Hluttaw is prescribed as only four years. The President of the Union himself will have sufficient time to carry out the tasks of the State effectively and successfully during his term of office only after the regular term of the Pyithu Hluttaw has been prescribed five years.

So, in connection with the term of the Pyithu Hluttaw a basic principle should be laid down in specific detail as follows:

—The term of the Pyithu Hluttaw is five years from the date on which the first session of the Pyithu Hluttaw begins.

Esteemed Chairman: Our studies on the formation of the Amyotha Hluttaw will now be clarified. Under the basic principles already laid down, the Amyotha Hluttaw is to be constituted with equal numbers of representatives elected from regions and states. Moreover, it shall be formed with Tatmadaw member Hluttaw representatives nominated as such by the commander in chief of Defense Services.

So, the number of representatives of the Amyotha Hluttaw shall be taken into consideration first. Under the basic principles already laid down, the Amyotha Hluttaw is to be constituted with equal numbers of representatives elected from the seven regions and seven states and Tatmadaw member Hluttaw representatives nominated as such by the commander in chief of Defense Services. Naturally, the number of representatives of the Pyithu Hluttaw will be more than that of the Amyotha Hluttaw. So, the number of the Pyithu Hluttaw representatives should be about double the number of Amyotha Hluttaw representatives.

If the Pyithu Hluttaw is to be constituted with the maximum 440 representatives as I have presented earlier, the Amyotha Hluttaw should be formed with 220 Hluttaw representatives or around this figure.

If the Amyotha Hluttaw is to be constituted with maximum 224 Hluttaw representatives, 16 Hluttaw representatives including Tatmadaw member representatives should be prescribed for each region and state in accordance with the basic principles already laid down. Out of the 16 representatives, 12 of them should be elected representatives, and one third of the elected number or four Hluttaw representatives should be Tatmadaw member Hluttaw representatives nominated as such by the commander in chief of the Defense Services.

Esteemed Chairman: The Amyotha Hluttaw should be constituted with as many national races as possible. If the representatives elected from the self-administered divisions and self-administered zones of the respective regions or states can participate in the Amyotha Hluttaw they will be able to present the affairs of their self-administered divisions or zones to the Amyotha Hluttaw directly. This being so, elected representatives of the self-administered divisions or self-administered zones should be allowed to participate in the Amyotha Hluttaw.

So, a basic principle should be laid down in specific detail as follows in connection with formation of the Amyotha Hluttaw:

—The Amyotha Hluttaw shall be constituted with maximum 224 Hluttaw representatives as follows:

(a) Twelve representatives elected from each region or state including one representative each from the self-administered divisions or self-administered zones, if there are any in the region or state concerned, totalling 168 Amyotha Hluttaw representatives;

(b) Four Tatmadaw member representatives from each region or state nominated by the commander in chief of Defense Services totalling 56 Amyotha Hluttaw representatives.

Esteemed Chairman: An acting chairman is to be elected to the first session of an Amyotha Hluttaw at the start of its term to preside over the session. Then only can the Amyotha Hluttaw representatives take the oath of office before the acting chairman. Moreover, the acting chairman will be able to supervise the Amyotha Hluttaw session until the chairman and the vice chairman of the Amyotha Hluttaw have been elected.

So, in connection with election of the acting chairman of the Amyotha Hluttaw, basic principles should be laid down in specific detail as follows:

1. An Amyotha Hluttaw representative shall be elected as acting chairman at the first session of an Amyotha Hluttaw at the start of its term,

2. The acting chairman shall take oath of office before the Amyotha Hluttaw,

3. The acting chairman shall supervise the Amyotha Hluttaw session until the chairman and the vice chairman of the Amyotha Hluttaw have been elected.

Esteemed Chairman: The matter of electing the chairman and vice chairman of the Amyotha Hluttaw will now be clarified.

One Amyotha Hluttaw chairman and one vice chairman should be elected from among Amyotha Hluttaw representatives to supervise the Amyotha Hluttaw functions, Amyotha Hluttaw sessions or to conduct coordinations with the Pyithu Hluttaw as necessary.

It is proposed to elect a vice chairman so that the person can assist the chairman in discharging duties and discharge the duties of the chairman provisionally when the chairman is in no position to discharge the duties for various reasons thereby avoiding unnecessary delays in the Amyotha Hluttaw functions. Methods should be prescribed by law for electing the Amyotha Hluttaw chairman and vice chairman.

So, in connection with election of the Amyotha Hluttaw chairman and vice chairman basic principles should be laid down in specific detail as follows:

1. At the Amyotha Hluttaw—

(a) One Amyotha Hluttaw chairman and one vice chairman shall be elected from among Amyotha Hluttaw representatives;

(b) If the post of the chairman or the vice chairman falls vacant, the nearest Amyotha Hluttaw session shall elect a new representative to fill the vacancy;

(c) The vice chairman shall take over the duties of the chairman provisionally when the chairman is unable to discharge the duties.

2. Methods shall be prescribed by law for electing the Amyotha Hluttaw chairman and vice chairman.

Esteemed Chairman: Discharge of duties by the Amyotha Hluttaw chairman and vice chairman will now be presented. The chairman and vice chairman should carry on their duties until the next Amyotha Hluttaw session begins. However, the chairmanship or vice chairmanship will be suspended when the chairman or vice chairman resigns or the person's being an Amyotha Hluttaw representative is suspended or the person's being an Amyotha Hluttaw representative ceases to exist or the Amyotha Hluttaw revokes the person's chairmanship or vice chairmanship or upon the person's death.

So, in connection with discharging duties and suspension from the posts of the chairman and vice chairman principles should be laid down in specific detail as follows:

1. The chairman and the vice chairman shall carry on their duties until the first session of the next Amyotha Hluttaw session begins;

2. The Amyotha Hluttaw chairmanship or the vice chairmanship shall be suspended upon the person's resignation or suspension of the Amyotha Hluttaw representative or the person's being an Amyotha Hluttaw representative ceases or the Amyotha Hluttaw's revocation of the chairmanship or the vice chairmanship or the person's death.

Esteemed Chairman: It is necessary to prescribe the rights and responsibilities of the Chairman and Vice chairman of Amyotha Hluttaw to enable them to perform them effectively. It is found that laws were promulgated on the rights and responsibilities of the Chairmen by the Hluttaws in the past.

Therefore, a law should be promulgated on the duties, rights, and responsibilities of the Chairman and Vice Chairman of Amyotha Hluttaw in specific detail to be taken as base.

In promulgating such laws, the positions and rights of the Chairman and Vice Chairman of Amyotha Hluttaw, who have to shoulder heavy responsibilities of Amyotha Hluttaw, should be prescribed appropriately and accordingly to be suitable to the duties they have to perform. The privileges to be enjoyed by them is to be prescribed by law. Therefore, if the National Convention delegates lay down some main points to be taken as the basic principles, then they will come handy when drafting this law suitably. It is to be suggested that the privileges to be enjoyed by the Chairman and Vice Chairman of Amyotha Hluttaw should be the same as those enjoyed by the Chairman and Vice Chairman of the Pyithu Hluttaw.

It is to be deliberated upon and suggestions given as to whether or not a basic principle should be laid for the Amyotha Hluttaw Chairman to enjoy the same position as the Vice President and the Vice Chairman to enjoy the same position as the Pyidaungsu [Union] Minister.

Esteemed Chairman: According to the studies made it is seen that Amyotha Hluttaw Committee, Commission, and Committees should be formed in the same manner as the Pyithu Hluttaw to enable the Amyotha Hluttaw to study and present the tasks to be carried out by the Amyotha Hluttaw. The reasons for forming this Committee, Commission, and Committees have been given in the clarifications made in connection with Pyithu Hluttaw.

Hence, in connection with the forming of Amyotha Hluttaw Committee, Commission, and Committees, basis principles should be laid down precisely as follows:

1. (a) the Amyotha Hluttaw shall form the Bill Committee, Public Accounts Committee, Hluttaw Privileges Committee, and Governmental Obligations Scrutinization Committee with Amyotha Hluttaw representatives;

(b) the Amyotha Hluttaw shall form the Defense and Security Committee if and when there is reason to study and report on the Tatmadaw affairs in addition to the defense and security affairs with the Tatmadaw member Amyotha Hluttaw representatives and determine the term of the Committee;

(c) the Amyotha Hluttaw shall form, as and when necessary, Hluttaw Committees, with Amyotha Hluttaw representatives to observe and submit reports on legislation, administration, national races, economic, financial, social, and foreign affairs as well as other affairs by determining the terms of the committees;

(d) the Amyotha Hluttaw shall determine the organization, duties, powers, rights, and privileges and tenure of Amyotha Hluttaw Committees;

(e) the Amyotha Hluttaw shall, if there arises the need to negotiate with the Pyithu Hluttaw, elect Amyotha Hluttaw representatives and invest them with the duties to be able to form a Joint-Committee with equal number of representatives each from the Amyotha Hluttaw and Pyithu Hluttaw. The Joint-Committee shall hold office till the report has been submitted to the respective Hluttaw;

(f) the Amyotha Hluttaw and the Pyithu Hluttaw shall, if both Hluttaws have to investigate the same matter except those mentioned above in Sub-paras (a) and (b), form after coordinations between the Chairmen of the Hluttaws, a Joint-Committee with equal numbers of representatives each from the Amyotha Hluttaw and the Pyithu Hluttaw. The Amyotha Hluttaw shall have the power to elect members of the Joint-Committee and invest duties and powers in them. The tenure of the Joint-Committee is up to the time the report has been submitted to respective Hluttaws;

2. (a) the Amyotha Hluttaw shall, if necessary, form the Commission and Committees either with Amyotha Hluttaw representatives or by including suitable citizens;

(b) the Amyotha Hluttaw, in forming the necessary Commission and Committees, shall prescribe the number of members, duties, rights, privileges, and tenure of office of the Commission or Committees.

Esteemed Chairman: The prescribing of tenure of office of the Amyotha Hluttaw will be explained. When the general elections are held the electorate will generally elect representatives to the Amyotha Hluttaw and Pyithu Hluttaw simultaneously. It will be convenient to hold the next general elections only when the tenures of office of the Amyotha Hluttaw and the Pyithu Hluttaw begin and end at the same time. Therefore, the tenure of office of the Amyotha Hluttaw should be the same as that of the Pyithu Hluttaw and should end on the day the tenure of office of the Pyithu Hluttaw ends.

Therefore, a precise basic principle should be laid down in connection with the tenure of office of the Amyotha Hluttaw as:

—the tenure of office of the Amyotha Hluttaw shall be the same as that of Pyithu Hluttaw. The tenure of office of Amyotha Hluttaw shall end on the day the tenure of office of the Pyithu Hluttaw ends.

Esteemed Chairman: According to the basic principles laid down, the two Hluttaws, the Pyithu Hluttaw and the Amyotha Hluttaw, form the Pyidaungsu [Union] Hluttaw. The Pyidaungsu Hluttaw is to be convened from time to time. It is to be regarded that there is no reason for the Pyidaungsu Hluttaw to be held every now and then like the Pyithu Hluttaw and the Amyotha Hluttaw. Therefore, it is not necessary to separately elect the Chairman and Vice Chairman for presiding over the Pyidaungsu Hluttaw sessions as the Chairmen and Vice Chairmen of the Pyithu Hluttaw and Amyotha Hluttaw can preside over the Pyidaungsu Hluttaw alternately. If this is done the Chairman and Vice Chairman of the Amyotha Hluttaw can act as the Chairman and Vice Chairman of the Pyidaungsu Hluttaw for half the term of 30 months and then the Chairman and Vice Chairman of the Pyithu Hluttaw can take over the responsibilities during the remaining half.

Therefore, precise basic principles should be laid down in connection with taking of responsibilities of the Chairman and Vice Chairman of the Pyidaungsu Hluttaw as follows:

1. the Chairman and Vice Chairman of the Amyotha Hluttaw shall act as the Chairman and Vice Chairman of Pyidaungsu Hluttaw from the day the tenure of office of the Pyithu Hluttaw commences up to the end of 30 months. The Chairman and Vice Chairman of the Pyithu Hluttaw shall take over the responsibilities as Chairman and Vice Chairman of the Pyidaungsu Hluttaw for the remaining tenure of office;

2. when the Chairman of the Pyidaungsu Hluttaw cannot perform his duties, then the Vice Chairman shall take over the responsibilities of the Chairman.

Esteemed Chairman: The Division Hluttaws and State Hluttaws shall promulgate necessary laws for their respective divisions and states mainly within the rights conferred upon them by the Constitution. In order to be able to do this, the Division Hluttaws and State Hluttaws must have appropriate number of Hluttaw representatives. Therefore, in accordance with the basic principles laid down, the Division Hluttaws and State Hluttaws should be formed with Hluttaw representatives elected constituencywise in the respective divisions and states, Tatmadawmen Hluttaw members nominated by the commander in chief of the Defense Services and Hluttaw representatives of national races which have an appropriate population in the respective divisions and states.

Hluttaw representatives for the Division Hluttaws and State Hluttaws are to be elected townshipwise. In so doing, it will be appropriate to elect two Hluttaw representatives from each township in the respective divisions and states to get appropriate number of Hluttaw representatives for Division Hluttaws and State Hluttaws as previously mentioned and they will represent their respective townships.

Moreover, the Division Hluttaws and State Hluttaws will also include Tatmadawmen Hluttaw representatives nominated by the commander in chief of the Defense Services. The number of the Tatmadawmen Hluttaw representatives must also be prescribed.

It is also seen that the number of Tatmadawmen Hluttaw representatives at Pyithu Hluttaw and Amyotha Hluttaw should be one-third of the number of elected Hluttaw representatives or in other words one-fourth of the total number of Hluttaw representatives. Similarly, the number of Tatmadawmen Hluttaw members in Division Hluttaws and State Hluttaws should be one-third of the number of elected Hluttaw representatives or one-fourth of the total number of Hluttaw representatives.

Esteemed Chairman: A basic principle has been laid down in connection with the right of representatives of national races with appropriate population to participate in legislature and administration to be able to carry out the affairs of the national races concerned in respective divisions, states, or self-administered areas. In order to be able to do this the State shall form a Commission and take steps.

Instead of the State forming a commission to enable the right of representatives of national races with appropriate population to participate in legislature and administration to be able to carry out the affairs of the national races concerned in the respective divisions, states, and self-administered areas, if the delegates prescribe right away the population required by the respective national race to be able to become a representative of national races affairs, the national races will be satisfied.

Esteemed Chairman: The six objectives of the National Convention will ever be flourishing if all national races cooperate and act in unison towards perpetual solidarity of national unity.

When it comes to considering designation of the national race who has an appropriate size of population, we have to base on its number. Immigration and Manpower Department has compiled population data of various national races. Instead of forming a commission, using the data of the department will make it easier for obtaining a list containing national races who have appropriate sizes of population and thus representatives of the eligible national races will have to participate in the respective region, state, and self-administered area legislations and administrations to manage their national races' affairs soon. Together with the delegates, all their national races will also be greatly satisfied with this.

Regarding the above matter, I will continue to explain how an appropriate population should be designated for the national races. Some national races reside together on the same stretches of land in the respective region or state but some are scattered in various townships. Some national races will be qualified for getting self-administered areas. For national races who, despite having appropriate sizes of population, are scattered in a region or state and do not get a region or a state or a self-administered area, each of them will have the right to represent at the respective region, state, or self-administered area's legislation and administration to manage affairs of their own nationals.

Esteemed Chairman: Our country's population is about 44 million. Just as we have to take steps on the one hand to enable the national races having appropriate sizes of population to broadly participate in the respective region or state legislation and administration, we also have to consider on the other that there should not be unnecessarily large number of representation. A national race having 0.1 percent of the 44 million should have the right to representation in the respective region or state or self-administered area legislation and administration. In other words, the eligible size of population is about 44,000 calculated on 0.1 percent of the national population.

Esteemed Chairman: If basic principles are to be laid down, aimed at further consolidation of national unity, national races having the right to representation, according to the present national population, in each region or state's legislation and administration are:

In Kachin State—Bamar and Shan national races,

In Kayah State—Bamar national race,

In Karen State—Pa-O, Bamar, and Mon national races,

In Sagaing Region—Chin and Shan national races,

In Tenasserim Region—Karen national race,

In Pegu Region—Karen national race,

In Magwe Region—Chin national race,

In Mandalay Region—Shan national race,

In Mon State—Karen, Pa-O, and Bamar national races,

In Arakan State—Chin national race,

In Yangon [Rangoon] Region—Karen and Arakan national races,

In Shan State—Kachin, Kayan, Bamar, Lisu, Lahu, Akha, and Inntha national races, and

In Irrawaddy Region—Karen and Arakan national races.

It is found there is no other national race in Chin State that has an appropriate size of population for the participation.

National races having populations in accordance with the qualification thus to be prescribed will have the right to participation of their representatives for their national races affairs. If national races with less than 44,000 populations wish to present their affairs to their region Hluttaw or state Hluttaw concerned, they can do so through the region Hluttaw or State Hluttaw representatives elected from their constituencies. Laying down basic principles thus will further consolidate national unity which is our objective.

So, regarding formation of region or state Hluttaws, it is to be laid down as a specific basic principle:

The region or state Hluttaw shall be constituted with representatives as follows;

(a) Two region or state Hluttaw representatives each elected from townships in the respective region or state,

(b) In the region, one region Hluttaw representative each of national races having populations of 0.1 percent or above of the national population, other than the national races who have already got that region or self-administered areas in that region,

(c) In the state, one state Hluttaw representative each of national races having populations of 0.1 percent or above of the national population, other than the national races who have already got that state or self-administered areas in that state,

(d) Region or state Tatmadaw member Hluttaw representatives nominated by the commander in chief of the Defense Services the number of which is equivalent to one-third of the total number of Hluttaw representatives elected under sub-para (a), (b), and (c).

Esteemed Chairman: When the first session of the first term of region or state Hluttaw is convened, it will become necessary to elect an acting chairman to enable the Hluttaw representatives to take the oath of office before the chairman and to preside over the session which is held for electing region or state Hluttaw chairman and vice chairman.

So, regarding election of the region or state Hluttaw acting chairman, it should be laid down as specific basic principles that;

1. When the first session of the first region or state Hluttaw of a region/state is convened, a region or state Hluttaw representative shall be elected as acting chairman.

2. The acting chairman shall take the oath before the region or state Hluttaw,

3. The acting chairman shall preside over the region or state Hluttaw session until the region or state Hluttaw chairman and vice chairman have been elected.

Esteemed Chairman: Region or state Hluttaw representatives are to play an important role inclusive of legislation for their region or state within rights vested in them by the Constitution. As these Hluttaws have to discuss affairs prescribed in the Constitution and pass decisions on them, it will become necessary to have a chairman, and a vice chairman to support the chairman.

So, regarding elections of the region Hluttaw or the state Hluttaw, it should be be laid down as specific basic principles that;

(1) In the region or state Hluttaw,

(a) Region or state Hluttaw representatives shall elect respective region or state Hluttaw chairman and vice chairman from among themselves.

(b) If the post of chairman or vice chairman falls vacant, it shall be substituted by election at the next Hluttaw session.

(c) If the chairman becomes incapacitated, the vice chairman shall temporarily perform the chairman's duties.

(2) Methods for election of region or state Hluttaw chairman and vice chairman shall be prescribed by enacting law.

Esteemed Chairman: As regards the term of office of the chairman and the vice chairman of a region or a state Hluttaw, they should have to hold office until the first session of the next term of the Hluttaw is convened to be able to supervise and perform the duties of the Hluttaw. However, the chairman or the vice chairman of a region or a state Hluttaw should be suspended in the event of his resignation, or cessation from being a Hluttaw representative, or having no right to continue as a Hluttaw representative, or being revoked by the Hluttaw, or his death.

As such, in connection with the term of office and cessation of duty of the chairman and the vice chairman of a region or a state Hluttaw, the specific fundamental principle should be laid down as follows:

1. The chairman and the vice chairman of a region or a state Hluttaw shall hold office until the first day of the first session of the next Hluttaw.

2. The chairman or the vice chairman of a region or a state Hluttaw shall have been suspended from his office in the event of his resignation, or cessation from being a Hluttaw representative, or having no right to continue as a Hluttaw representative, or being revoked as Hluttaw representative by the Hluttaw, or his death.

Esteemed Chairman: The chairman and the vice chairman of a region or a state Hluttaw will be able to fulfill their duties properly only after their powers have been prescribed.

Therefore, in connection with prescribing the duties, powers, and privileges of the chairman and vice chairman of a region or a state Hluttaw, the detailed fundamental principle should be laid down as follows:

—The duties, powers, and privileges of the chairman and the vice chairman of a region or a state Hluttaw shall be prescribed by law.

In so doing, it is essential to prescribe the status and privileges to be in accord with the duties of the chairman and the vice chairman of a region or a state Hluttaw. As there is the need to prescribe the privileges of the chairman and the vice chairman in a separate law if the National Convention delegates are to discuss to lay down the fundamental principle with the main points, the law can be drafted with the inclusion of these points if and when necessary. As such the delegates are to discuss whether or not to lay down the specific fundamental principle that the chairman of a region or a state Hluttaw should hold the position equivalent to Pyidaungsu Wungyi [Union minister] level and the vice chairman region or state minister level.

Esteemed Chairman: If and when necessary, the region or the state Hluttaws are to form Hluttaw committees and organizations concerned to review legislation and national races affairs etc, as contained in the Constitution.

The detailed fundamental principle in connection with the region or the state Hluttaw committees and organizations should be laid down as follows:

1. The region or the state Hluttaw may, if and when necessary, constitute committees and organizations with the Hluttaw representatives concerned to review legislation and national races affairs etc, enshrined in the Constitution and to assist Hluttaw functions.

2. The region or the state Hluttaw may, if and when necessary, constitute the committees and the organizations with members inclusive of suitable citizens.

3. A committee shall be formed with the Tatmadawmen representatives of the region or the state Hluttaw if there is reason to review and report on the Tatmadaw affairs in addition to defense and security affairs in the region or the state.

4. The region or the state Hluttaw, in formation of committees and organizations, shall determine number of members, duties, powers, privileges, and term of office.

I will continue on the term of office of the region or the state Hluttaw. After a general election, the Pyithu Hluttaw, the Amyotha Hluttaw, the region and the state Hluttaws will have to be formed. Reviewing the experience in the past, it is estimated that the date of the first-day session of the Hluttaws may differ due to differing of date of completion of the election and difficult transport in some regions and states. However, the expiry date of the term of office of all Hluttaws should be the same. As such, the term of office of the region or state Hluttaws should be the same as the term of the Pyithu Hluttaw the way the term of the Amyotha Hluttaw is prescribed along with the term of the Pyithu Hluttaw. The term of office of the region or state Hluttaws should expire on the date on which the term of office of the Pyithu Hluttaw expires.

In connection with determining the term of office of the region or the state Hluttaw, a detailed fundamental principle should be laid down as follows:

—The term of office of the region or the state Hluttaw is the same as that of the Pyithu Hluttaw. On the day the term of office of the Pyithu Hluttaw expires, that of the region or the state Hluttaw shall do also.

Esteemed Chairman: In accord with the fundamental principles being laid down, the self-administered areas—the self-administered divisions or the self-administered zones—will be entitled to participate in the legislative functions within the power vested in them. It is believed that the work will be easy and quick if the representatives-elect of the region or the state and those of the executive committee cooperate to carry out the legislative functions as contained in the Constitution for their own self-administered area, instead of functioning the tasks for the self-administered division or the self-administered zone by separate committees. I will clarify the legislative functions of the self-administered areas—self-administered divisions and self-administered zones—when I continue on the executive functions of the self-administered areas.

Esteemed Chairman: The Pyithu Hluttaw, the Amyotha Hluttaw, and the region or the state Hluttaws have to be constituted with Hluttaw representatives stipulated in the Constitution. The duties and powers of Hluttaw representatives of these Hluttaws have to be determined in a separate law so as to enable them to carry out their tasks.

As regards determining the duties, powers, and privileges of the representatives of the Pyithu Hluttaw, the Amyotha Hluttaw, and the region and the state Hluttaw, the detailed fundamental principle should be laid down as follows:

—The duties, powers, and privileges of the representatives of the Pyithu Hluttaw, the Amyotha Hluttaw, and the region and the state Hluttaws shall be prescribed by law.

Esteemed Chairman: I have clarified some detailed fundamental principles in connection with organization of legislative Hluttaws. I will continue on laying down the detailed fundamental principle in connection with the qualifications of the representatives of these Hluttaws. First, I will clarify the points to be considered for prescribing the qualifications of the Hluttaw representatives.

The age limit for a Hluttaw representative is minimum 21 years in the 1947 Constitution and 28 in the 1974 Constitution. It was prescribed in the Multiparty Democracy General Election Law promulgated in 1989 that persons who have completed the age of 21 and who are not contrary to the provisions of the law can stand for election as Pyithu Hluttaw representatives.

The Pyithu Hluttaw will promulgate necessary laws for the nation and carry out duties as assigned to it by the Constitution in accordance with laws and rules. Pyithu Hluttaw representatives who have to undertake important duties of the State should be experienced and knowledgeable persons.

It is observed that persons who have completed the age of 25 years are believed to be experienced and knowledgeable and so they are expected to forward good advice and suggestions in dealing with the affairs of the State and introducing laws. So, a basic principle should be laid down in specific detail prescribing the minimum age limit for a Pyithu Hluttaw representative as 25 years.

Esteemed Chairman: The matter of Pyithu Hluttaw representatives and their citizenship will be clarified. Article 76 (1) of the 1947 Constitution provides: "Every citizen, who has completed the age of 21 years and who is not placed under any disability or incapacity by that constitution or by law, shall be eligible for membership of the Parliament". Because of that provision, foreigners who had become naturalized citizens stood for election for membership of the then Parliament. The 1974 Constitution prescribes that persons who are citizens born of parents both of whom are also citizens are to stand for election in order to prevent such cases from arising.

The Pyithu Hluttaw and the Amyotha Hluttaw are the highest bodies in our country to exercise legislative power. These organizations should be constituted with Hluttaw representatives who are citizens born of parents both of whom are also citizens.

So, a basic principle should be laid down in specific detail that persons standing for election as Pyithu Hluttaw representatives shall be citizens born of parents both of whom are also citizens.

Esteemed Chairman: A person who is going to stand for election as Pyithu Hluttaw representative should keep himself continuously informed of the country's political, economic, administrative, and social developments. So, the person should have resided in the country continuously for at least ten years. Moreover, he should have met the qualifications prescribed in the election law.

So, in connection with prescribing the qualifications of the Pyithu Hluttaw representatives principles should be laid down in specific detail as follows:

—Persons having the following qualifications are eligible to stand for election as Pyithu Hluttaw representatives:

(a) having attained the age of 25 years;

(b) being a citizen born of parents both of whom are also citizens;

(c) being a person who has resided in the country continuously for at least ten years;

(d) having met the qualifications prescribed in the election law.

Esteemed Chairman: In presenting matters in connection with the laying down of basic principles on prescribing the qualifications of Pyithu Hluttaw representatives it is necessary to present matters in connection with the laying down of precise basic principles on persons who are not entitled to stand for election as Pyithu Hluttaw representatives. As the kind of persons who are not entitled to stand for election is quite obvious it will not be clarified but only the precise basic principles which will be laid down will be presented.

Therefore, a precise basic principle on those who are not entitled to stand for election as Pyithu Hluttaw representatives should be laid down as follows:

—the following persons are not entitled to stand for election as Pyithu Hluttaw representatives:

(a) persons serving prison terms, having been convicted under sentence of a court for any offense;

(b) whether before or after the commencement of the Constitution, a person who has been convicted of offense ceases to be entitled to stand for election as Pyithu Hluttaw representative unless such a period prescribed by the authorities concerned has elapsed;

(c) persons adjudged to be of unsound mind as provided for in the relevant law;

(d) an undischarged bankrupt person;

(e) persons who are under any acknowledgement of allegiance or adherence to a foreign power, or a subject or a citizen of a foreign power;

(f) persons who are subjects of a foreign power, a citizen of a foreign power, or entitled to the rights and privileges;

(g) individuals or members of organization who obtain and make use of money, property, other assistance from the government or religious organizations or any other organizations of a foreign country directly or indirectly;

(h) individuals or members of an organization who, for political purposes, use religion as an excuse, and utter, deliver speeches, and make declarations to vote or not to vote and who encourage and incite such acts;

(i) members of a religious order;

(j) civil service personnel;

(k) individuals or members of organization who obtain and make use of State fund, building, vehicles, or property directly or indirectly;

Proviso:

1. the expression State fund does not include pension or the official monetary support given by the State for services rendered for the benefit by the State;

2. the expression building, vehicle, property belonging to the State does not include buildings and apartments belonging to the State which have been used under any existing law or rented from the State; aircraft, train, vessels, and motorcars belonging to the State which have been hired on charges from the State;

(l) whether before or after the commencement of the Constitution a person found to be guilty of offense or corrupt or illegal practice relating to elections or failed to have abided by the election law and thus entailing disqualification for election as Pyithu Hluttaw representatives unless a period has elapsed as may be specified by the authorities concerned.

Tatmadawmen Pyithu Hluttaw representatives nominated by the commander in chief of the Defense Services also possess the qualifications prescribed for Pyithu Hluttaw representatives.

So, regarding the qualifications of Tatmadaw member Hluttaw representatives, it should be laid down as a specific basic principle that—

Tatmadaw member representatives nominated by the commander in chief of the Defense Services as Pyithu Hluttaw representatives shall possess qualifications prescribed for Pyithu Hluttaw representatives.

Esteemed Chairman: I have clarified qualifications of Pyithu Hluttaw representatives and persons who do not have the right to stand as Pyithu Hluttaw representatives. In my clarification that the age of a person elected Pyithu Hluttaw representative should be prescribed as 25, there is a factor for emergence of new youth generations who will be taking over State duties in future. In prescribing the age of Amyotha Hluttaw representatives, it is to be considered that they should be persons who are well acquainted with political, economic, administrative, and social affairs of the State and be mature in experience. So, Amyotha Hluttaw representatives should be persons who have fully attained the age of 30.

Moreover, Amyotha Hluttaw representatives must possess qualifications prescribed for persons who will stand for election as Pyithu Hluttaw representatives and should not be disqualified under any of the conditions concerning persons who have no right to stand for election.

So, regarding the designation of qualifications of Amyotha Hluttaw representatives, it should be laid down as a specific basic principle that—

Amyotha Hluttaw representatives

(a) shall have completed 30 years of age,

(b) shall possess qualifications, apart from the age limit, prescribed for standing for election as Pyithu Hluttaw representatives,

(c) shall be subject to provisions which deny the right to stand for election as Pyithu Hluttaw representatives.

Tatmadaw member Hluttaw representatives nominated by the commander in chief of the Defense Services as Amyotha Hluttaw representatives should be persons who have qualifications prescribed for Amyotha Hluttaw representatives.

So, regarding the qualifications of Tatmadaw member Amyotha Hluttaw representatives, it should be laid down as a specific basic principle that—

Tatmadaw member representatives nominated by the commander in chief of the Defense Services as Amyotha Hluttaw representatives shall possess qualifications prescribed for Amyotha Hluttaw representatives.

Prescribing qualifications of region or state Hluttaw representatives will now be clarified. Exercising the rights empowered by the Constitution, region or state Hluttaws will have to discharge duties mainly legislative matters concerning the regions or states concerned. Region or state representatives, like Pyithu Hluttaw representatives, should be experienced and knowledgeable persons.

So, in connection with qualifications of the region or state Hluttaw representatives basic principles should be laid down in specific detail as follows:

Region or state Hluttaw representatives

(a) shall possess qualifications required of Pyithu Hluttaw representatives;

(b) shall be subject to provisions denying the right to stand for election as Pyithu Hluttaw representatives.

Tatmadaw member representatives nominated by the commander in chief of the Defense Services to the region or state Hluttaws should possess qualifications prescribed for the region or state Hluttaw representatives.

So, in connection with qualifications of the Tatmadaw member representatives a basic principle should be laid down in specific detail as follows:

—Tatmadaw member region or state Hluttaw representatives nominated as such by the commander in chief of Defense Services shall possess qualifications prescribed for the region or state Hluttaw representatives.

I have clarified legislative organization. Now I will continue to clarify executive organization.

Special USDA General Meeting Opens in Hmawbi

BK1609092494

[Editorial Report] Rangoon Radio Myanmar in Burmese at 1330 GMT on 15 September carries a 61-minute report on the opening session of the "the 1994 special annual general meeting of the Union Solidarity and Development Association [USDA]" which was held in the Union Hall of the Public Relations Unit in Hmawbi at 0930 on 15 September.

The opening session of the meeting was attended by members of the State Law and Order Restoration Council [SLORC], members of the cabinet, the chief justice, the attorney general, the auditor general, patrons and executive committee members of the USDA, senior civilian and military officials, divisional and local commanders, chairmen of the law and order restoration councils from states and divisions, representatives of mass organizations, local and foreign journalists, students who passed the 1994 high school examination with outstanding honors, other students and youths from states and divisions, observers and invited guests.

Senior General Than Shwe, patron of the USDA, chairman of the SLORC, and commander in chief of the Defense Services, delivered an address, noting the significance of today's meeting, which marked the first anniversary of the founding of USDA and "which would review the work of the USDA at different levels and submit proposals which would continue to serve the nation and the people." He said members of the USDA constitute "a reliable national force" and called on the members and executive members to constantly strive to "enable the USDA to operate as a strong and solid national front."

Continuing, he elaborated on the work being carried out by the SLORC and the achievements being recorded for the country on the economic front and in other areas. He called on the USDA to participate in development endeavors and said that the SLORC is in fact carrying out the objectives of the USDA. He explained the need for the prevalence of law and order in working for the emergence of the Union as a modern and developed nation. He said "It would be necessary to take note of the fact that some resentful internal and external elements, who ignore the prevailing peace, prosperity, and development in our Union of Myanmar [Burma], are using various means to be obstructive. These resentful external elements, in collusion with their minions in the country, are threatening national sovereignty and territorial integrity and are making fabricated reports through various means in order to diminish the country's international prestige and make our country an outcast in the international community. Furthermore, he said, minions inside the country are being encouraged to create instability in the country whenever there is an opportunity. We must constantly have political and revolutionary awareness to prevent the threat to our national sovereignty from these internal and external elements."

Reviewing the organizational work of the USDA, he said there are now 16 USDA organizations at state and divisional level, 55 at district levels, 316 at township levels, and 12,161 at village level with a total membership of 833,022. He noted further that a total of 1,177 members have completed USDA executive management courses.

He noted the role of the USDA members in national and social affairs and called on them to strive to become exemplary members in serving society. He then underlined the similarity of aims and objectives of the USDA and the SLORC in working for peace and development in the country. He urged the members to implement the five objectives of the association and study local and international affairs. He concluded his speech by calling on the USDA members to strive for truth in their deeds and abide by the USDA motto: "Organize to uphold strong spirit and discipline."

Next, prizes were distributed to students who passed the 1994 high school examination with outstanding honors.

The report than carried a seven-minute recorded speech by U Than Aung, USDA general secretary and minister of cooperatives. Explaining the purpose of the meeting, he said the meeting was being held to review the work of the organization, to lay down future programs, and to acknowledge the changes and progress taking place in the country. He noted the role of the USDA is to enhance and promote the Union spirit, safeguard national sovereignty, and work hand in hand with the government in national construction tasks.

The report next carried a seven-minute recorded speech by U Win Sein, member of the USDA Central Executive Committee [CEC] Report and minister of rail transport, who presented the CEC report. The report viewed the present situation as a time of endeavor for building a peaceful and modern nation and noted the role of the SLORC for ensuring law and order and economic development. The report pointed the need to safeguard the nation at the time when "neocolonialists are holding a negative view toward Myanmar and insulting the sovereignty of Myanmar." The report also reviewed the organizational work of the USDA.

Following the report on organization presented by U Saw Tun, a CEC member, the reports of the four major departments of the USDA Head Office on a management plan, an economic plan, a social and cultural affairs plan, and one on funds and finance were presented respectively by CEC members U Aung San, U Aung Thaung, U Soe Tha, and U Than Shwe.

The meeting ended at 1430.

Brunei, Malaysia & Singapore

Malaysia

Mahathir Opposes Mixing Religion, Politics

BK1609033194 Kuala Lumpur BERITA HARIAN in Malay 11 Sep 94 pp 1, 2

[Report by Mokhtar Alias, Nasir Hassan, and Kamarudin Mat Akib]

[Text] Pasir Mas—The UMNO [United Malays National Organization] is ready to cooperate with the PAS [Pan-Malaysian Islamic Party] in the religious field but will not make any compromise if religion is linked to politics. Prime Minister Datuk Sri Dr. Mahathir Mohamed said mixing religion and politics would lead to various conclusions that would eventually harm the Muslims in the country.

"This is happening to the PAS. They made a law that is against Islam but continue to claim that it is a hudud [Islamic law]," he told reporters after chairing a meeting of the Liaison Committee of the Kelantan UMNO here yesterday. The UMNO president said the PAS should be more open by setting aside political interests for the sake of the Muslims if it really wants to cooperate with the UMNO in the religious field. Nevertheless, the PAS seems to pay greater attention to obtaining support for the party when it proclaims any religion-related cause.

"The religion will definitely become a victim if it is mixed up with politics. This is happening now. Accordingly, we do not want to mix religion with partisan politics," he said.

According to Dr. Mahathir, the formation of a political party is something related to an ideology and administration, but any religious matter should be discussed without involving politics.

Asked about the PAS leaders' readiness to accept the UMNO-proposed hudud law if it proves to be better than the one drafted by the PAS, the prime minister said:

"The UMNO's hudud law is enshrined in the Koran. We do not have to take pains to draft any provisions. We simply follow what is mentioned in the Koran because the most important thing is justice."

The prime minister said what is important for the UMNO is justice for all citizens of various races in the country.

"We live in a multiracial nation. What will the benefit be if Muslims are subjected to the hudud law? What will happen if Muslims are subjected to the law and non-Muslims are not? This is not fair," he said.

Dr. Mahathir also said the government has no plans to prohibit the use of the word Islam in any political parties like the PAS although the government can do so. If the government does so, some parties will misinterpret it as a political ploy. He said the British easily approved the PAS' desire to use the word Islam during the colonial era because this was a way of dividing the Muslims.

Al-Arqam Leader Said To Admit Deviated Teachings

BK1609075394 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 15 Sep 94

[Text] Deputy Prime Minister Datuk Sri Anwar Ibrahim says the government's move to ban the al-Arqam group and to take action against its leaders has successfully led to several of the movement's followers leaving the sect. He said that some of the followers of the banned movement who left the group have decided to revert to the true teachings of Islam. The deputy prime minister said this to reporters after launching (EQUESTRIAN) magazine, a publication on equestrian sports in Kuala Lumpur.

Ashaari Mohammad, leader of the outlawed al-Arqam movement, has confessed that he deliberately deviated the teachings of Islam to boost his and the movement's image.

Tan Sri Abdul Rahim Noor, police inspector general, said that Ashaari made the confession when he was interrogated by policemen attached to the special task force.

Ashaari and several al-Arqam leaders, including Ashaari's wife Khadijah Aam, are now being detained by police under Malaysia's Internal Security Act.

In a statement to editors of local newspapers in Kuala Lumpur, Tan Sri Abdul Rahim said Ashaari clarified that all claims and allegations that he made about himself being a special person were only pretexts to boost the image of the movement. Tan Sri Abdul Rahim said that from the beginning police suspected that the claim of Ashaari that he had a dialogue with a messenger of God Sheikh Mohammad As-Suhaimi, and other invisible powers that he possesses, were total nonsense.

Singapore

Editorial Hails Rao's 'Substantive' Visit

BK1509063394 Singapore BUSINESS TIMES in English 14 Sep 94 p 16

[Editorial: "Rao's substantive visit"—all dollar figures given in Singapore dollars]

[Text] When the then Indian prime minister Indira Gandhi visited Singapore 28 years ago, it would have been unthinkable that she be accompanied by high-powered business delegation. She would also probably have had little time to meet Singapore businessmen, and have little to say to them or they to her. Matters pertaining to commerce seemed rarely to be uppermost in the minds of Indian leader of those days; they seemed to view their state visit abroad as opportunities for dialogue on security concerns, geopolitical matters, or the odd trade issue or two, perhaps. But certainly not business deals between companies.

How things have changed. On his visit to Singapore last week, Prime Minister Narasimha Rao was accompanied by more than a hundred of India's top corporate executives. A good number of them signed deals with their Singapore counterparts worth a total of $800 million, in fields ranging from aquaculture to township development. The Indian prime minister spent at least a whole morning with Singapore businessmen and they had plenty to talk about, with no time to spare.

The preoccupations of India's top leaders have clearly gone though a metamorphosis. Of course, Mr Rao could not ignore issues such as security, politics and defence cooperation—and he did not. But his main mission seemed clearly and overwhelmingly to build on the budding economic relationship between India and Singapore. When he said, for example, in what must go down in one of the best Singapore Lectures to date, that he had come to extend his hand of partnership in this adventure, he was talking about his country's investment opportunities.

Those opportunities are huge. Whether it is power or telecommunications, roads or railways, banking or tourist resorts, India has potential for growth that comes close to matching that of China. Moreover, it is amply evident that among all the countries of East Asia, Indian businessmen seem particularly comfortable doing business with Singapore and can therefore use it as a springboard into East and South-east Asia. So it comes as no surprise that officials from both sides indicated that the $800 million worth of deals signed during Mr Rao's visit are but the tip of the proverbial iceberg, and that there's a lot more in the works.

But for all its opportunities, India is a hugely complicated country. Conditions vary dramatically from state to state, and even district to district, the writ of New Delhi does not easily carry to all corners of the country; bureaucratic hurdles abound, despite much progress in recent years, and the politics is often bewildering. India, in short, is a country about which potential investors need to do more homework than usual. But it will be worth the effort. For India's opening up looks now to be irreversible. Moreover, the political leadership seems to want to play an active part in catalysing business relationships. And India seems serious and sincere when it says that it is, at last, looking East. That was what Mr Rao's visit to Singapore was all about. It must go down as the most substantive visit ever by an Indian leader to this country.

Cambodia

KR Radio Assails Australia's Gareth Evans

BK1509063794 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 14 Sep 94

[Station editorial: "Gareth Evans Openly Reveals That Australia Is the One Destroying the Paris Agreement and Destroying Peace in Cambodia and the One Colluding with Communist Vietnam To Kill the Cambodian Nation and People"]

[Text] Gareth Evans, Australian foreign minister, recently said openly that Australia has worked with other countries to destroy Democratic Kampuchea since the Paris agreement. Everyone is aware of this criminal plan of Gareth Evans. Now Gareth Evans himself has openly talked about this.

This criminal plan is not worked out by Australia alone; there are other bad elements, such as France and the United States, also taking part in it. This revelation by Gareth Evans openly acknowledges that it is Australia and the alliance of villains that destroy the Paris agreement and peace in Cambodia and the ones that collude with communist Vietnam to kill the Cambodian nation and people. To the Cambodian nation and people and in the region the name of Gareth Evans stinks, and this is also affecting Australia concerning the crime of fueling Vietnam's war of aggression in Cambodia and destroying peace, security, and stability in the region.

Hey, Gareth Evans! You should know what Democratic Kampuchea is. Democratic Kampuchea is the resistance force of the entire Cambodian nation and people that has struggled against the communist Vietnamese aggressors for 15 years to safeguard the Cambodian nation and race. So, if you look at the Khmer Rouge, do not just look at the 700,000 or 800,000 Khmer Rouge in liberated areas. You should look at the entire Cambodian people nationwide who love the nation and oppose the Vietnamese aggressors to safeguard the Cambodian nation and race. You should particularly look at 7 million peasants in rural areas, pupils, students, teachers, and so on. Thousands more are in provinces and cities throughout the country, including Phnom Penh City.

It is these forces that over 250,000 troops of the Vietnamese aggressors have failed to smash over a period of more than 10 years. Vietnam's military war of aggression was completely defeated in 1990. If over 250,000 troops of the Vietnamese aggressors, over a period of more than 10 years, have failed to do anything to the Cambodian nation and people, what hope do the tattered forces of the two-headed government—born of the excrement of communist Vietnam and the United States—have to smash the Cambodian nation and people? In one year during which all of you have worked together to smash the Democratic Kampuchea forces, what results have you achieved?

We do not need to talk about Anlung Veng and Pailin. Even at Phnum Voar, a small area right inside the two-headed government's enclave, you have not been able to do anything. On the contrary, you have been most disgracefully routed by the National Army of Democratic Kampuchea [NADK] and the people in Phnum Voar. Why? Because the people in the Phnum Voar, like the people in Kompong Trach District and the entire Kampot Province, are on the NADK's side in the Phnum Voar area. They have worked with the NADK to smash the traitors and barbarians to safeguard their lives and property.

Hey, Gareth Evans, what happended in Phnum Voar further clearly shows that the Cambodian nation and people will not let you guys come and gnaw away at Cambodia at will. The Cambodian nation and people want to live. Everyone has been making all kinds of sacrifices to safeguard the Cambodian nation and race and to safeguard their own lives, their wives, and families.

So, if you play with fire, you will get burned.

Consortium To Build Phnom Penh Power Plant

BK1609112194 Phnom Penh AKP in English 0929 GMT 16 Sep 94

[Text] Phnom Penh AKP September 16—The Ministry of Industry, Mines and Energy and the government power company Electricite du Cambodge (EDC) signed a master contract yesterday with foreign consortium, finalizing the establishment of a privately-owned 35 MW diesel electrical power generation plant in Phnom Penh.

The consortium of Intercore Inc. of the United States, Leader Universal Holdings of Malaysia, DELCOM Services of Malaysia, and ENEL Societa Per Azioni of Italy will construct, own, and operate the $40 million power plant under an 18 year BOT ("build, operate, transfer") contract, after which time it will revert to the EDC.

Phnom Penh presently has five power plants (only of which are operational) capable of producing 20 MW of power. The capital, however, needs 60 to 80 MW to meet its needs during peak night time hours.

When asked if the new 35 MW plant will provide 24-hour power for Phnom Penh, Minister of Industry Pu Sothirak told reporters that future problems will arise not from a lack of supply but from the city's dilapidated distribution and transmission systems.

The government is currently negotiating a $40 million loan with the World Bank and a $25 million loan with the Asian Development Bank (ADB) to rehabilitate and upgrade the transmission distribution networks in Phnom Penh and Sihanoukville and Siem Reap, according to the minister. He explained that the Intercore plant is the first phase of the "master plan."

"The next phase is a 50 MW steam turbine power plant," he said, adding that the ministry had signed a memorandum of understanding (MOU) with Intercore for a 106 MW electrical power generating facility. First Prime Minister Prince Norodom Ranariddh, who presided over yesterday's ceremony, said, "Cambodia should be a country of contracts, not MOU's," referring to such unbinding pledges to the government to participate in local projects. But Ranariddh praised the agreement, adding, "it is in a critical domain, electricity. It will bring prosperity and development to the country. It will improve the standard of living of the simple people and the students.

"From now on the Cambodian door is wide open (to investment) through an encouraging legal framework," he said.

As chairman of the Cambodian Development Council, Ranariddh urged all investors to feel free to call him, "unless it's one or two in the morning", he said. The new power plant, to be located adjacent to power station C-2, will be complete in a maximum of 16 months, said Kenneth H'ng, executive director of Leader.

Indonesia

Suharto, Malaysia's Mahathir Meet in Jakarta

BK1609101494 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 16 Sep 94

[Text] President Suharto and Malaysian Prime Minister Mahathir Mohamed held private talks on boosting bilateral economic ties at Jakarta's Merdeka Palace this afternoon. Speaking to reporters after the talks, Minister-State Secretary Murdiono said the two leaders had also discussed the issue of the Indonesia-Malaysia-Thailand Growth Triangle. Murdiono said the Malaysian Government is interested in taking part in the development of Indonesian territory within the Growth Triangle, which will require plenty of manpower. The Malaysian prime minister said his country is interested in investing in plantation estates in North Sumatera. The Malaysian leader also said his country still needs about 17,000 Indonesian workers to work on the plantation estates. Minister Murdiono said the two countries will sign a memorandum of understanding on banking services, which he describes as important because it will facilitate the flow of Malaysian capital into Indonesia. [passage indistinct: recording of Murdiono comments]

When President Suharto was holding talks with the Malaysian leader, ministers of the two countries also held separate talks at Jakarta's State Guest House. The Malaysian prime minister and his entourage arrived in Jakarta this morning for a two-day working visit. The Malaysian leader is scheduled to attend a state banquet in his honor at the State Palace this evening.

Further on Islands Dispute

BK1609101394 Kuala Lumpur Voice of Malaysia in English 0800 GMT 16 Sep 94

[Text] Prime Minister Datuk Sri Dr. Mahathir Mohamed held four-eyed [private] talks with Indonesian President Suharto soon after he arrived in Jakarta for a two-day working visit. The talks are believed to have centered on effort to enhance relations, primarily economic cooperation between the neighboring countries and members of ASEAN. They were also aimed at an amicable and immediate solution to the territorial dispute between the two countries over the Sipadan and Ligitan Islands.

Last week, Malaysia proposed that both countries refer the dispute to the International Court of Justice. Indonesia had said that it would be preferable to refer the matter to the highest authority in ASEAN.

Simultaneously with the four-eyed talks, visiting Malaysian cabinet ministers held discussions with their Indonesian counterparts. The Malaysia side included Foreign Minister Datuk Abdullah Ahmad Badawi, Defense Minister Datuk Sri Najib Tun Razak, and Information Minister Datuk Mohamed Rahmat.

Alatas Views ASEAN Summit, Island Dispute

BK1409133794 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 14 Sep 94

[Text] ASEAN has yet to decide on whether or not to hold a meeting prior to the APEC [Asia-Pacific Economic Cooperation] summit in Jakarta next November. Foreign Minister Ali Alatas told reporters at Merdeka Palace in Jakarta today that the proposal for an informal meeting to support the APEC summit was in fact discussed during the ASEAN ministerial meeting in Bangkok several months ago. However, no decision has been made because the matter needs a consensus among the ASEAN heads of state or government.

Touching on the Indonesian-Malaysian dispute over Sipadan and Ligitan Islands, Minister Ali Alatas said Indonesia consistently believes that the problem can be settled bilaterally without involving a third party.

Malaysia has proposed that the problem be referred to the International Court of Justice.

The minister did not rule out the possibility of President Suharto and Malaysian Prime Minister Mahathir Mohamed discussing settlement of the dispute during their meeting in Jakarta next Friday.

Alatas Urges Negotiation To Resolve Haiti Crisis

BK1509160594 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 15 Sep 94

[Text] Indonesia has called for talks to solve the crisis in Haiti and hopes that neither side will resort to military action. Addressing parliament's Commission I in Jakarta today, Foreign Minister Ali Alatas said such an option may cause many casualties, especially among innocent people, and will not produce a political solution. It will lead instead to a long and drawn-out conflict.

Commenting on the issue of Sipadan and Ligitan islands, Alatas said Indonesia is not ruling out third party mediation to solve the issue. During the Indonesia-Malaysia Joint Border Committee meeting from 7 to 9 September, Malaysia proposed that the issue be referred to the International Court of Justice, while Indonesia prefers to solve it through a bilateral framework.

Australia Joins Tactical Air Transport Exercise

BK1609081994 Melbourne Radio Australia in English 0500 GMT 16 Sep 94

[Text] The Australian and Indonesian defense forces are involved in a tactical air transport exercise in Indonesia. The exercise is the third in an annual series hosted on a rotational basis with the current held in Malang. The training provides the opportunity for the two forces to develop cooperation and share information and experience. Both countries will provide paratroopers, and the Australia Air Force will send a C-130 transport aircraft.

Joint Air Exercise With Australia

BK1509063694 Jakarta ANTARA in Indonesian 1740 GMT 14 Sep 94

[Text] Malang, 14 September (ANTARA)—The Indonesian National Air Force [TNI-AU] and the Royal Australian Air Force [RAAF] are holding a joint exercise in Malang, East Java. The exercise codenamed Rajawali Ausindo '94 will end on [date indistinct] September. The joint exercise was officially opened by Commodore Eko Suwaryo, deputy chief of staff of the TNI-AU for operations, in a military ceremony at the Abdurrahman Saleh Air Base in Malang on Wednesday.

Commodore Eko Suwaryo said that the joint exercise is a manifestation of good relations and cooperation between the TNI-AU and the RAAF. The exercise aims to enhance the combat professionalism of the two air forces, with an emphasis on skills in airdropping soldiers and materiel during an air combat.

Rajawali Ausindo '94 is the fourth joint exercise. The TNI-AU is using two C-130 combat aircraft and fielding 464 personnel, while the RAAF is using one C-130 combat aircraft.

Military Denies Report on Timor Combat Battalions

BK1609121894 Jakarta THE JAKARTA POST in English 6 Sep 94 p 2

[Text] Dili, East Timor (JP)—The Indonesian Armed Forces (ABRI) denied an Australian press report yesterday that it deploys 15 combat battalions to suppress low-level separatist rebellion. Major General Andang Ruchiatna, Commander of the Udayana Military Command which oversees security in Bali, Nusa Tenggara and East Timor, said that ABRI had only six battalions there.

Andang was responding to an August 26 report in the SYDNEY MORNING HERALD that ABRI has 15 combat battalions to fight remnants of the poorly armed Fretelin [Revolutionary Front for an Independent East Timor] separatists. ABRI estimates the rebels number about 200 with only 100 rifles.

Andang made the comment after installing Infantry Colonel Kiki Syahnakri as the new East Timor military commander, replacing Col. Jhonny J. Lumintang. Andang declined to say how many of the six battalions are combat oriented and how many are territorial, which focus on social services such as roadbuilding.

"It is not true that two ABRI personnel have been killed by the rebels," Andang told THE JAKARTA POST, adding that the report was only part of Fretelin's propaganda to discredit Indonesia.

The new commander, Col. Kiki Syahnakri, was formally assistant commander to the East Timor Military Command. Lumintang has assumed his new post as Commander of Infantry Brigade in Cilidong, West Java.

Article Views Military Regeneration Process

BK1609053594 Singapore THE SUNDAY TIMES in English 11 Sep 94 p 7

[Report by Jakarta correspondent Paul Jacob]

[Text] Top-level Indonesian Armed Forces (Abri) officers were kept busy last month and early this month attending ceremonies across the country, where a host of senior command changes were taking place.

The military has been keen to portray the transfers—affecting 84 officers from the army, navy, air force and police—as being of a routine nature.

The emphasis has been to point out that such changes, one of the most extensive in recent years, underscore the process of regeneration which all organisations have to come to grips.

Abri commander-in-chief General Feisal Tanjung and army chief Gen Wismoyo Arismunandar have also rejected the notion that there is a political slant to the exercise, and that the changes are tied to the role Abri's legislative representatives will play in 1998, when presidential elections are held.

Both said, on separate occasions after the August 12 announcement of changes, that the transfers and promotions were designed to keep the organisation efficient and ensure that commanders and the men under them contribute their maximum to the tasks before them.

Placed at the helm of regional units and military commands are a comparatively younger crop of leaders who graduated from the military academy in the mid- to late '60s, and who are now in their early 50s or late 40s.

There are even a couple who are military academy graduates from 1970, such as the new chief of the Special Forces (Kopassus) Brigadier General Subagyo H.S., and commander of the 1st Division of the Strategic Reserve Command (Kostrad) Colonel Johny Lumintang.

There is broad agreement from military and political analysts that the recently-appointed slate of commanders are competent and professional soldiers, who have no particular political or personal allegiances.

What is also important is the extensive field experience and grassroots contacts they have established. This places them in a better position, as they move up the ranks, to understand and appreciate the aspirations of the population at large—including, and especially, the younger generation.

Analysts said such younger-generation officers are less likely to have hang-ups, as their predecessors had, about the power and position that the military ought to have on the country's political stage. Many in this group of officers and their up-and-coming counterparts—lieutenant-colonels and majors who graduated from the academy in the '70s and who make up about 45 per cent of the officer corps—were educated abroad and are less dogmatic in their outlook.

They are seen to be generally more open-minded, tolerant of debate and believe there should be greater interaction, discussion and partnership between the military and civilians in the running of the country.

While respecting their retired seniors, many, nevertheless, feel that the socio-political aspect of Abri's dual role in Indonesian society had been over extended and overemphasised in the past.

This had been to the detriment of professional development within the armed services, which needed to be addressed better.

This shift in thinking and attitude has coincided with other domestic developments, such as the more assertive role played by civilians in government and a more confident private sector.

Former Home Affairs Minister Rudini, who was army commander from 1983 to 1986, argues against interpreting the transfers too hastily, and reading too much into it politically. He believes that their appointments were made on merit and after careful tracking of their performance.

He recalls, for instance, the performance and potential that were noted even during his time in men like Maj-Gen Yunus Yosfiah, the newly-appointed Sriwijaya [region] commander; Maj-Gen Syamsir Siregar, the new Abri intelligence agency chief; Brig-Gen Subagyo H.S., who heads the special forces (Kopassus); and Brig-Gen Arie Kumaat, the new commander of the Bukit Barisan region.

But inasmuch as generals Feisal, Wismoyo, Rudini and other top brass want to de-link recent changes from any political motives, some analysts say there is no escaping the political dimension of the exercise.

What the changes amount to, one senior lecturer at a government university said "is that you have Abri more consolidated, efficient and compact...especially in key posts like Kostrad and Kopassus and regional commands".

"But you will also have commanders showing loyalty to Feisal as Abri commander. It is not a case where he appointed loyalists to posts so as to consolidate his hold on his position. But over time, it is logical that he will strengthen his position because they know it was he who gave them their posts. They also know Feisal will be staying on for a while," he said.

This was a reference to the indefinite extension which President Suharto granted Gen Feisal to stay on as Abri chief beyond the mandatory retirement age of 55—which Gen Feisal reached in June. The announcement of the extension in May led analysts virtually to write off any chances Gen Wismoyo might have to succeed him as Abri commander.

Gen Wismoyo, Mr Suharto's brother-in-law, turns 55 next February, and must retire unless his service is extended by the President.

Long seen as destined for the top military post and regarded as having to play the role of watching over the First Family from within the military, analysts have said that there appeared to have been a change of heart on the part of Mr Suharto lately towards Gen Wismoyo.

As one analyst said in May: "I would not dismiss the possibility of Gen Wismoyo being extended in service before February but his chances of becoming Abri chief appear to have lessened.

"We can only speculate as to why. Wismoyo is a very good professional soldier but there may be questions in Suharto's mind about his political and intellectual qualities."

Analysts also believe Gen Feisal's extension—amidst talk at the time about whether Gen Wismoyo might take over—had helped curb speculation about succession within Abri.

This could otherwise have proved to be divisive. Gen Feisal's staying on in the post provided an element of stability and allowed him and senior commanders to continue with their programme of action to improve quality and professionalism within the ranks. He demonstrated the confidence he has in his position, which he was appointed to some 15 months ago, by overseeing the transfers.

The appointment of a new generation of military leaders is also viewed by some quarters as part of a process that would eventually pave the way for Mr Suharto to ensure an additional guarantee of loyalty and protection from the military.

This has to do with the move up the ranks and hierarchy of his son-in-law colonel Prabowo Subianto, 42 married to the President's second daughter, Siti Hediyanto Heriyadhi.

With Gen Wismoyo's possible retirement, Col Prabowo will, over the longer term, have to play the role of protector to the First Family.

Although there has been no announcement yet, he is expected to move into the No 2 slot in Kopassus and likely to receive his promotion to the one-star rank of brigadier-general.

Thus, further changes to a younger cohort of military personnel in command positions are a certainty as would be the continued placement in key positions of commanders regarded as being close to the President.

Laos

Finance Minister Meets With IMF Technical Group

BK1509113294 Vientiane KPL in English 0926 GMT 15 Sep 94

[Text] Vientiane, September 15 (KPL)—Khamsai Souphanouvong, minister of finance, on September 13, received a group of technicians of the International Monetary Fund (IMF) headed by Mr. Otani, director of the IMF Division for Southeast Asian Affairs.

The discussion dealt with the further provision of financial support from the International Monetary Fund to the macro-adjustment project of the Government of the Lao PDR [Lao People's Democratic Republic], the review of the implementation of the renovation policy, especially in the financial-monetary areas, and the operation of banks.

They will impose measures to execute the financial policies in 1995 with a stress on the implementation of the law on state budget. This is aimed at increasing sources of income of the state budget.

The group is here on a working visit until September 26.

SRV Supreme Court Delegation Calls on Leaders

BK1609112494 Vientiane KPL in English 0925 GMT 16 Sep 94

[Text] Vientiane, September 16 (KPL)—The visiting delegation of the People's Supreme Court of the Socialist Republic of Vietnam led by Pham Hung, member of the Central Committee of the Communist Party of Vietnam and president of the court, yesterday morning called on Saman Vi-gnaket, president of the National Assembly [NA], at the reception hall of the National Assembly.

The Vietnamese guests informed the Lao NA president, who is also a Politburo member of the Lao People's Revolutionary Party Central Committee (LPRP CC), of the outcome of the working visit in Laos. The Lao NA president appreciated and described the visit strengthening of the traditional solidarity between Laos and Vietnam.

Yesterday afternoon, the visiting delegation called on Kham-ouan Boupha, minister of justice.

During the meeting, Kham-ouan Boupha said that the visit was hoped to develop and strengthen the ties of friendship, fraternity, and comradeship between the two neighbours, Laos and Vietnam, especially the cooperation in People's Supreme Court.

The Vietnamese delegation of the People's Supreme Court returned home yesterday afternoon, ending its one-week long working visit here.

Philippines

Ramos Interviewed on Economy, Terror Groups

BR1509092794 Madrid EL PAIS in Spanish 14 Sep 94 p 10

[Interview with President Fidel Ramos by Ramon Casamayor in Madrid; date not given: "'Rapid Economic Growth Is Possible Within A Democracy'"—first paragraph is EL PAIS introduction]

[Text] The Philippines was one of those countries accustomed to only appearing in the media when there was alarming news: kidnappings, guerrillas, and so on. For some time, however, there have not been any upheavals and now, with the presidency of Fidel Ramos, 66 years old, a consolidated political system has evolved and annual economic growth is exceeding five percent.

[Casamayor] What has been going on in the Philippines?

[Ramos] I assume you have heard the saying that no news is good news. In any case, it should be said that the transition period is over. Over the past two years, we have reached a period of stability. We have succeeded in pushing through measures such as the restructuring of our foreign debt, which in turn enabled greater economic stability. Moreover, in June 1992, when I was elected president, we laid down a plan with five priorities: achieving national stability, which meant that all the groups and all the leaders—independently of the party to which they belonged—established a number of agreements with common goals and with a common vision for the future. We have achieved a structural reform and prepared the country to be able to have sustained growth in the 21st century. We have to reduce corruption and improve the situation of the police and the Armed Forces. We have to reduce all the bureaucratic procedures that are complicating the current situation.

[Casamayor] Have all the ghosts of the transition period really disappeared?

[Ramos] With regard to the matter of dissidents, we basically have three groups: the Communist Party, with its armed wing; the secessionist groups; and the Moro National Liberation Front [MNLF]. In August 1992, we began talking to them and establishing a peace program. We have tried to create agreements while at the same time promoting an amnesty so that they can return to normal life. We have established aid and employment programs with special attention to the rebels who have taken up arms. I must say that we have had quite a bit of success. We have made great progress, even with the most complex and difficult group, namely the MNLF.

[Casamayor] One of the most serious problems facing the Philippines is its high rate of poverty and major social inequality. Will programs be created to encourage access to ownership?

[Ramos] The government's program is based on three political principles. The first is the principle of the devolution of power to the people; the second is the principle of subsidiarity, as established in the papal encyclical Rerum Novarum; and the third is the principle of sustained development. By applying these principles the process of privatizing the major public companies has begun, as has the access of the Philippine people to the ownership of this property. The 5.1-percent rise in the first half of the year was the result of exports and investments, not domestic consumption or public spending. We have also opened up our banking system, which used to be in just a few hands, and we have completely democratized it with cooperatives and other kinds of organizations. Right now, many people who were in agriculture, industry, etc. can also take part in the financial system. A law has been established on monopolies and cartels. If criminal activity involving large sums of money can be proven, it can even be punished with the death penalty.

[Casamayor] In view of the advantage which some of your neighbors enjoy in the economic race at the end of this century, are you not sometimes tempted to sacrifice some civil liberties to economic development, as some of your counterparts have advised?

[Ramos] Not at all. Some of them have authoritarian regimes. They want to achieve their goals. I believe, however, that these social and economic programs can be carried out within a democratic framework. Rapid economic growth is perfectly possible within a democratic system.

Three Economic Agreements Signed With France

BK1509134194 Quezon City Radio Filipinas in English 0230 GMT 15 Sep 94

[Text] The Philippines and France signed three major agreements which formalize the pledge made by the French Government at the consultative group meeting in Paris last July. The three agreements were: the Seventh French Financial Protocol amounting to $34 million, the exchange of letters on the reallocation of $40 million, and the Grand Protocol worth $346,000. The three agreements were signed by Finance Secretary Roberto de Ocampo and his counterpart Edmond Alphandery. Ocampo said the 1994 financial protocol will (?finance) the national telephone program and enhancement of the meteorological delivery system.

Thailand

Wimon Reviews Talks With U.S. Army Delegation

BK1609142394 Bangkok Radio Thailand Network in Thai 1200 GMT 16 Sep 94

[Text] The United States still considers funding training for Thai military officers important and will campaign to keep the funds for this purpose. Army Commander General Wimon Wongwanit said the following after receiving a delegation representing the U.S. Army commander:

[Begin Wimon recording] The representative of the U.S. Army commander assured that militarily speaking, the issue is important and the U.S. Army will campaign to maintain the assistance, at least in order to maintain the long-standing relationship between the armed forces of two countries which understand each other well.

[Unidentified reporter] Did he pledge to convince the Congress on the matter?

[Wimon] He was confident that the funding would not be cut. This is what the U.S. Army feels.

[Reporter] Will the suspended Thai funds for JUSMAG [Joint U.S. Military Assistance Group] be cut?

[Wimon] We will not make a cut. If the U.S. funding remains intact, JUSMAG will have to continue to perform its functions. It has to do with the good relationship between the armed forces of the two countries.

[Reporter] Does this means that relations between the armed forces of the two countries are good to a degree?

[Wimon] The relations remain close and the armed forces have always been good friends of each other.

[Question indistinct]

[Wimon] I have already said that the principle—position—of Thailand is: one, to be the friend of any country which is our friend; two, we will not interfere in the internal affairs of another country. That is the national policy, its position. The implementation of this policy is the business of the Foreign Ministry, not mine. I am merely saying that this is our country's position or policy. [end recording]

Army Chief on Proposed Purchase of U.S. Tanks

BK1509092694 Bangkok THE NATION in English 15 Sep 94 p A2

[Text] Army chief Wimon Wongwanit has dismissed concerns that the 180 used M-60A3 and M48A5 tanks to be purchased from the United States are obsolete. He said they are late models and in good condition.

"They are old for them (the US army) but new for us," Gen Wimon said.

The Army wants to buy 180 US tanks and other related military equipment for US$127 million (Bt [baht] 3.175 billion). But the planned purchase has attracted criticism that the US army discarded the tanks because they were out-of-date. Wimon countered though that the US army discarded them because they wanted to scale down the size of their force. He added that there is already a committee responsible for the handling of the tank purchase and he personally had nothing to do with the matter. A high-ranking Army source said the plan to buy the tanks was arranged when Gen Suchinda Khraprayun served as Army chief.

"Although the tanks have been used, they're of good quality. Our country is poor and therefore cannot help but buy cheap weaponry," the source said. He said, without giving specific figures, that it would be more expensive to buy new tanks from China and in any case the US tanks are of better quality than Chinese tanks. The source added that the Army wants to replace the existing M-41 tanks with M-60A3 and M-48A5 tanks in its cavalry division.

An Army document obtained by THE NATION yesterday and to be published in the ARMY NEWS LETTER today, said the Army has used M-41 tanks for almost 30 years.

"The general public would not drive a 30-year-old vehicle, they would rather keep it in a museum," the document said. The Army wants to replace the M-48 tanks in its second and sixth cavalry divisions with 102 M-60A3 tanks. The M-48 tanks would then be transferred to the second and sixth infantry divisions.

An M-60A3 tank, which costs about Bt70 million, will be sold to Thailand at a "friendship price" of Bt10 million, about Bt1 million more expensive than a 600SL Mercedes car, it said.

U.S. Military Aid To Strengthen Defence Ties

BK1609075694 Bangkok BANGKOK POST in English 16 Sep 94 p 2

[Text] United States military aid under the International Military Education & Training Programme (IMET) will help strengthen ties between the US and Thai armed forces, according to Deputy Supreme Commander Gen Prasoet Sararit yesterday. Gen Prasoet, who becomes the new permanent secretary for defence early next month, held talks with Gen Dennis J. Reimer of the US armed forces yesterday at Supreme Command headquarters.

Gen Reimer is a representative of the US army chief paying a seven-day official visit to Thailand as a guest of the Thai army. Gen Prasoet said Gen Reimer indicated US military aid provided through IMET should continue.

"IMET is beneficial to our two armed forces and he will help clarify the issue with members of the House Foreign Relations Committee so they understand its significance," said the Deputy Supreme Commander.

Gen Prasoet said officers from the two countries could foster ties through IMET by participating in the $10 million annual programme.

"We can gain a lot from such a programme," he said.

Some members of the US Congress have proposed a bill aimed at cutting US military aid to the Thai armed forces for allegedly providing the Khmer Rouge with military support.

"We have clearly stated we have not given them (the Khmer Rouge) support and have closely followed the Paris peace agreement," said Gen Prasoet. He ruled out the likelihood that the threat to cut the aid would ruin the military relationship between the two countries. The deputy supreme commander said the military was concerned the situation in Cambodia would deteriorate if military assistance was provided by outsiders.

"The fighting will not end if there is outside military support. As long as the warring factions In Cambodia still have access to new weapons, the fighting will escalate and affect our country."

Army Chief Warns Mon, Urges Return to Burma

BK1509055894 Bangkok Radio Thailand Network in Thai 0000 GMT 14 Sep 94

[Text] Army Commander in Chief General Wimon Wongwanit talked to newsmen about a report that the Mon had threatened to cut Thai gas pipelines in retaliation for the expulsion of Mon refugees and because they thought Thailand had cut food supply lines aiding the Mon people. Wimon stressed that in making a decision, one should place national interests above all else. He said Thailand had taken good care of the Mon, and that they should return home now that the situation in Burma is peaceful again. He said foreign organizations should not interfere. Thailand will not be intimidated by any kind of threats. He said that action would be taken against the Mon if they ever created trouble in Thailand.

New Travel Regulations for Vietnamese Refugees

BK1609075994 Bangkok BANGKOK POST in English 16 Sep 94 p 2

[Text] The Interior Ministry is imposing new travel restrictions on Vietnamese refugees who have been living here since the Dien Bien Phu era. They must report to the authorities when they travel within the country.

A ministry source said Vietnamese reported to be residing in 13 provinces and 46 districts were obliged to seek approval from the district chief if their journey out of the districts do not exceed seven days. The provincial governor's permission must be sought if the trip is seven to 15 days. The ministry did not reveal when the new restrictions would take effect.

On arrival at their destinations, the Vietnamese are required to report to the head of the provincial police within 48 hours if they intend to stay more than seven days. But their stay can be extended to a maximum of 15 days. The Vietnamese must immediately notify the provincial authority in the province they are officially registered in after they return from their journey.

* Trading at Cambodian Border Discussed

94SE0216A Bangkok SIAM RAT SAPDA WICHAN in Thai 31 Jul 94-6 Aug 94 p 24

[Report by Political News Team: "Along the Thai-Cambodian Border Amid Shattered Relations"]

[Excerpt] [Passage omitted] There are still islands of "Khmer Rouge" along the border which have formed to fight for nationhood with the government certified by the United Nations. Of particular importance for the future is the law approved by the Supreme Assembly of Cambodia which declared the Khmer Rouge to be an illegal group which must be destroyed and eliminated. This is like a fuse which will cause their relations which are already cracked to be shattered much more.

Ban Suansom Village, Sadon Subdistrict, Soidao District, Chantaburi Province, was well-known for its abundant timber which was made into furniture. Today it is silent and lonely. There is little left of all the furniture which had been lined up to be bought by retail and wholesale merchants. We learned that the lumber which had come from the Khmer Rouge could not get through conveniently as in the past. The villagers who still did this work depended on wood from Cambodia.

"The wood which we brought in was not easy to get. We had to cut it and haul it. We had to pay a great deal of money. Sometimes we hit explosives. It was very dangerous. We did not know what best to do. Sometimes we encountered Khmer Rouge who seized some of our trucks and saws." They told of their difficulties as though those of us listening could bring back their livelihood of bringing out wood from Cambodia and making it into furniture to sell.

"The soldiers told us that if we did not stop getting wood from the Khmer Rouge it was as if we supported the Khmer Rouge while the whole world was condemning us."

Borai District, Trat Province, is an area which used to have a daily income in the region of 20 million. But now it is like an abandoned town. The gold shops gradually closed and the stores have stopped doing business. The people returned home in large numbers. The middlemen who had come to buy gems for so long all left for new areas in Mae Sai District. Many were broke, and many had been rich.

"Of the groups which had mined in Cambodia there are only 12 mines left out of almost 200." The owner of a large gem mine told us about the depressed conditions and the situation along the border which had affected the influx of gem miners who came here to seek their fortunes from throughout the country and as far away as Burma and Mon territory.

"It was not easy to bring in the fuel we used in the mine. We had to pay a baht per liter." They were running a business worth millions, but the dangers were great. They spoke of the "travel expenses" which were "normal and necessary" for doing business on the border.

So the mine owners became timber merchants. Then a little later there was a big obstacle to this, namely, it was not permitted to bring timber out of Cambodia. This meant that the gem mine owners lost even more. It could be said that things went from bad to worse.

"To bring out a load of timber costs almost 60,000 baht in fees. That is too steep. That which they call fees has the affect that the officials supervising and controlling the area and every member of every group involved try to make money from them."

"Almost 30 of the logging trucks were seized at one time until they could be ransomed. They wanted 100,000 per truck. This is what it cost at customs. We did not pay everyone and this is what happened to us." These were the complaints of those who did not know what to do to get around the illegal taxes.

The salt factory market in Ban Khlongluk Village next to the Cambodian border near Poipet had become a "scurvy" border trading area on certain days. One day Thai people were seized and ransomed here. One day the Khmer Rouge practiced firing and the shells landed on our village. And one day when the profits were not good, they burned down the border store. They were pigheaded like that.

"For the store to be built again, they demanded 100,000. Those who came there to trade were all from other places. Therefore government funds will be used in addition."

The burned and abandoned ruins of the store can be seen and they have opened the border again.

"People do not come because the situation is not good here. There is often shooting. When the TV news says there is no more shooting, then many people will come to buy again. But every time there is news, people are sad."

Ban Chongchom Village, Kapchoeng District, Surin Province, is an area of reduced restrictions which was opened for the people of Thailand and Cambodia to buy and travel back and forth. It has not been opened long and there is some confusion especially with regard to the Thai people who were captured and are being ransomed and the robberies on the border highways.

The effect has been that the stores which were built in preparation for the opening of the border market are silent. No buyers can be found.

"Any time the Cambodians are starving because we closed the border, they shoot and harrass us until we open it up again." The soldier stationed on the border spoke as if he were tired of the uncertainty and the misconduct of the neighboring country which has been unable to find peace for 10 years.

"All the Thai merchants are cheating each other. They sell their wood over and over through sub-agents." The problems associated with trade and communication on the border which cannot be escaped are: smuggled goods and drugs. These appear to go with trade on the border.

The problem of the conflict and the uncertainty in Cambodia will affect Thailand soon.

"There has been a massing of tanks, aircraft, helicopters, and weaponry by the army of the Phnom Penh government which is preparing to destroy the Khmer Rouge." A person involved with the Khmer Rouge and the Cambodian Government in Phnom Penh spoke of the danger of war which threatened in the near future. [passage omitted]

Daily Criticizes U.S. Planned Action in Haiti

BK1609054094 Bangkok THE NATION in English 16 Sep 94 p A6

[Editorial: "US Needs Vision To Break Cycle of Caribbean Crisis"]

[Text] It appears that every US president since Woodrow Wilson has repeated the same mistake when it comes to Caribbean "crises". The current political situation on the United States' doorstep developing into crisis proportions, but this is nothing out of the ordinary. President Bill Clinton is following in the footsteps of his illustrious forbears as he prepares to send the troops on to Haitian soil.

Citing the Monroe Doctrine to the German and the French, Wilson entered Haiti in 1915 and in an early example of what is now called "mission creep", American troops remained there until 1934. They were forced to leave without restoring democracy and failed to eliminate the root of the problem.

It appears that from one "crisis" to another, the trouble begins in the same way: with a coup, an uprising, or a famine. Indeed, all of them finish the same way too: anti-American fervour among the Haitian population, and a successful military operation that has no lasting effect. The invasion of Haiti may be welcomed by some, but removing a dictator doesn't always guarantee a more democratic society.

What is troubling about the Clinton administration's policy, or perhaps attitude, towards this region in particular is that it illustrates America's desire to have influence abroad without making any real commitment. Wilson invaded Haiti with the determination to help its people become democratic and orderly. In fact, Wilson himself became the greatest military interventionist in US history—he had ordered troops in Russia and Latin America half a dozen times before he left the office.

Like Wilson, Clinton believes that cleansing Haiti's internal politics through military intervention will preserve order. On the other hand, history has shown that foreign intervention seldom cools revolutionary fervour—with Kennedy and Cuba in 1961, Reagan and Grenada in 1983, and Bush and Somalia just over a year ago, the fervour only became more intense and anti-foreign.

What is clearly lacking is a comprehensive plan to restructure Haiti. Also, a long-term commitment from the US with a broad-base national support similar to that which the American public gave to the Cold War is essential. Although these conditions probably won't be met, and perhaps are no longer acceptable in America, it is absurd for President Clinton to pretend that a military intervention will be anything but a Caribbean version of what happened to American troops in Somalia. Unfortunately, Clinton seems unable to see a connection between the two "crises".

Haiti provides a perfect example of America wanting to have influence abroad without making any real commitment. The blockade may helped Clinton to have his revenge on the military dictatorship, but it has also help to further impoverish the Haitian people, whose economic situation is now in utter chaos. The flood of refugees is inevitable and it may well continue. Clinton can't say that he didn't see them coming.

America cannot use the same excuse as it did with Somalia—claiming lack of understanding—and certainly it cannot claim lack of national interest because the region in question is in its backyard. In fact, the Caribbean should be the ideal place for America to begin practising long-term foreign policy rather then short-term crisis-management. If America wishes to remain a superpower, foreign policy that creates reforms instead of refugees must be implemented. At the moment, it remains to be seen if Clinton can avoid making the same mistake as other US presidents. Considering the fact that this is the post-Cold War era, Clinton should be the first president to develop a comprehensive plan towards Caribbean.

Paper Supports Population Conference Goals

BK1409061094 Bangkok BANGKOK POST in English 14 Sep 94 p 4

[Editorial: "Population Meet Sets Goals We Must Achieve"]

[Text] The UN population conference held over the past nine days in Cairo was the largest-ever meeting to seriously discuss population control on a global scale. But the questions we must be asking now that it is over are "what?" and "how much?" will it achieve.

The Vatican began by delaying proceedings over the abortion debate. The Catholic Church holds a significant amount of influence over the way nations think and it was interesting to note the nature of the argument. In essence, the UN's statement on abortion policy is to leave legalities of the issue in the hands of individual countries, providing the operation is done safely. But the Vatican argues abortion can never be done safely, "for the foetus".

Hence, a new footnote—which took almost half the nine-day conference to draft—reads thus: "Unsafe abortion is defined as a procedure for terminating an unwanted pregnancy either by persons lacking the necessary skills or in an environment lacking the minimal medical standards or both." But the Vatican reluctantly gave in but made it clear that anything remotely condoning abortion just wouldn't do. And so the conference went on to other issues which would eventually draft a final world strategy aimed at stabilising world population at the 7.27 billion level in 2015.

From the start the whole population party seemed destined to be ruined. The Vatican continued by accusing the UN of spending too much money on family planning, saying tens of billions of dollars was being spent on population control and nothing on "education of morality". The British Minister for Overseas Development Lynda Chalker had the courage to speak out. And a short comment she made was more than appropriate: "...I certainly don't agree on the interpretation given here. It seems to be going round the issue," she said. She joined many who called for the conference to get on with other important issues such as education, health and women's issues.

And that they did, including Thailand's own Health Minister Athit Urairat. Dr Athit told the conference that Thailand had already cut its population growth rate significantly from 3 per cent in 1970 to 1.3 per cent this year. He said Thailand was concentrating on nurturing its people, which was a warm oration providing it is followed up by Government policy and subsequent action to introduce stronger education plans and other aspects leading to a better quality of life.

But yesterday, in concluding speeches, the plot thickened even further. Muslim states pulled out of some parts of the UN's plan which for the first time focuses on the empowerment of women. The Vatican—which yesterday remained silent—could have been presumed from the outset not to be the only one to put a dampener on what should have been one of the most significant documents ultimately affecting the quality of life throughout the world. According to a Reuter report last night: The chairman of the main drafting committee, Fred Sai of the International Planned Parenthood Federation, appealed to member states to approve the programme without reservations "for the sake of women crippled by unbridled fertility". It would be difficult to disagree and it was indeed positive to see Thailand toeing the international party line, as broad as it may have been.

In Thailand, abortion is illegal unless stringent criteria can be met by those seeking it. But Michai Wirawaithaya's Population and Development Control Association is active in efforts to promote family planning and works together with extensive government campaigns. Child prostitution was also raised by the conference—another issue Prime Minister Chuan Likphai has vowed to do something about. A UN figure, saying that one in five people worldwide is between 15 and 24-years old and that most are sexually active before the age of 20, backs up the urgency.

It was always going to be impossible to get people from 150 countries—of different race, creed and religion—to agree entirely. Hence, it meant the resolutions were unlikely to be concrete. But the one good thing which the conference no doubt has done is create a mindset and a goal for the world to avoid over-population. The meeting has got people thinking and whichever method is used and whatever arguments take place, it remains likely that most will have the magic 7.27 billion figure in the back of their minds.

If the population conference fails, the world population is destined to reach 7.92 billion by 2015 and 12.5 billion by 2050. Thailand should do its part to help achieve the set goals. But other countries, despite reservations to certain parts of the final doctrine, should not lose sight of the overall objective. Dr Athit's line supporting "quality of life" would be a fine reminder.

Paper Distinguishes Concerns of APEC Members

BK1309135194 Bangkok THE NATION in English 13 Sep 94 p A6

[Editorial: "Apec Grouping More Than Just a Trade Organization"]

[Text] This is an era where searching and forming visions is in vogue. Amid the ideological loosening of the Cold War and the apparent sense that nations are going their own ways, the idea of a trade bloc, open-regionalism or community has not only lived on but is thriving.

The Asia-Pacific Economic Cooperation (Apec) forum is a prime example of a 17-country grouping moving towards closer ties. Apec was advised by a so-called panel of experts to adopt a total abolition of trade and investment barriers by the year 2020. This thinking is being hastened by an aggressive push from the United States and by a quieter and more subtle Japanese influence.

The proposal by the Apec's panel of experts is reported to have caught the imagination of Indonesian President Suharto, who is the host for the Apec leaders' summit scheduled to take place in Jakarta this November. Suharto could be tempted to leave a lasting legacy if he endorses the free trade proposal.

But great caution should be exercised. It must be remembered that Apec came into being as a force on its own because at the 1993 Seattle Summit, it threatened to become a "fortress" on its own if the long-delayed Uruguay Round of trade talks did not come to a conclusion. This negotiating leverage still lingers and could threaten the concept of open regionalism unless a mechanism linking it with the new World Trade Organization (WTO) is established in a meaningful and practical manner.

It is in the pursuit of this direction that Asean must redirect its efforts in championing free trade. This task should be on the top of the agenda for the proposed panel of experts which the European Union plans to form with Asean. It is in the greater interest of Asean to achieve free trade on a global basis rather than to be drawn into American and/or Japanese economic hegemony under Apec. It is also in the interests of the European Union [EU] to fully participate in the economic growth of the Asia and Pacific region.

It should always be remembered that Apec is more than just a trade organization. Embodied in its structure is joint development of human resources, technology transfer, telecommunications, mineral resources and environment. It is these issues which the EU must also keep up if it is to fully participate in the Asia-Pacific region on a par with the Americans.

Several prominent Thai economic and international trade thinkers feel that the fear of the consequences of US domination in Apec in particular is unjustified. But there are good grounds for this paranoia. The US, which calls itself the champion of free trade, still has in its armoury the world's most frightening trade weapons, such as the Super 301. This is a unilateral action that the US can use against countries which it alleges have discriminated against American industries.

The 301 has been used against Thailand, China, Japan and others. It is an economic firearm which has, in effect, damaged the clout of the General Agreement on Tariffs and Trade in resolving trade disputes (not necessarily the other way around as often portrayed).

The 301 or its like should not survive Apec's era of open regionalism. The US administration and Congress should show their sincerity by abolishing such a protectionist trade tool. Specifically, for Thailand, the US should end agricultural export subsidies under the US Farm Act, which is now subject to a review.

Two important issues will emerge at the Apec summit. The Apec leaders will discuss how they will adopt a trade liberalization package in order to create a truly free trade area before or by the year 2020. If a declaration on trade liberalization is adopted, it will signal a milestone for the Asia-Pacific region. This sentiment of freer flow of trade and services cannot be easily dispelled by any members.

The second contentious issue is how the Apec leaders will deal with the East Asia Economic Caucus (EAEC). Nobody is quite certain yet whether Dr Mahathir Mohamad, who boycotted the Seattle summit last year, will miss another Apec summit in Indonesia. But before he decides to go, there must be a way out for EAEC, which may exist in some form under the Apec umbrella with the participation of all the Apec members.

Fund Planned for Regional Development

BK1609080794 Bangkok BANGKOK POST in English 16 Sep 94 p 17

[Text] Thailand will create a subregional cooperation development fund to help draw international funds for projects in neighbouring countries. The projects form part of the Greater Mekong Subregional Economic Cooperation scheme, also known as the "economic hexagon".

Deputy Prime Minister Suphachai Phanitchaphak announced the fund yesterday in his opening address to the fourth ministerial meeting of the subregional economic cooperation group.

Thailand would create the fund to strengthen use of financial resources in the subregion, he said. Thailand also intends to allocate its own budget and help mobilise funds from international funding institutes and assistance from other sources. This process will be similar to a 300-million-baht (US$12 million) soft loan Thailand is willing to grant Burma to build a road linking Thailand, Burma and China's southern province of Yunnan.

He did not reveal details of the fund, but he believes "many projects will be in the pipeline after today's meeting and some of them can be launched quickly under this subregional fund".

Dr Phisit Phakkasem, secretary-general of the National Economic and Social Development Board, said after the first closed session yesterday that the Finance Ministry had asked the Thai delegation to tell the meeting that Thailand was willing to make arrangements under the fund with all its neighbours.

Dr Suphachai said after the closed session the fund would be used for important projects only.

"We still need to discuss it in further detail."

He denied the fund was being established to make money available to Burma, where the ruling State Law and Order Restoration Council is under international fire, for projects.

"We didn't think of the political issues. We decided to grant funds to Burma because we believe the road (linking Chiang Rai to Kunming through Burma) will benefit the public," he said.

"The six countries also attach importance to the road. We don't talk about what Burma is doing internally, it's their own business," he said.

Dr Supachai said Thailand would not just be helping Burma, but also Laos, Cambodia and other neighbours.

'Syria'-Trained Terrorist Arrested in South

BK1509075394 Bangkok NAEO NA in Thai 15 Sep 94 pp 1, 4

[Excerpt] [passage omitted] According to Police Lieutenant General Michai Nukunkit, assistant police director general responsible for region 9, a few days ago policemen arrested Da-o Krongpinang, a senior member of the Pattani United Liberation Organization [PULO] and a terrorist on the police wanted list. Da-o, 40 years old, graduated from Yala Teachers College and received higher education in Saudi Arabia. After that he went to Syria for sabotage training and returned to Thailand about 10 years ago. He was an important member of the PULO and was reported to be behind almost every major sabotage events in the south, including a bomb attack at Hat Yai train station, which resulted in many casualties; and the sabotaging of trains in Chana and Na Mom districts of Songkhla Province.

Vietnam

Further on Visit by UK Foreign Secretary

Hurd on Human Rights Situation

BK1609073694 Hanoi VNA in English 1504 GMT 15 Sep 94

[Text] Hanoi VNA Sept 15—During his talks held here yesterday with Foreign Minister Nguyen Manh Cam British Foreign Secretary Douglas Hurd held that human rights in Vietnam is positive and said this fact had been acknowledged worldwide stated a Foreign Ministry spokesman.

Answering a question by AFP on issues raised at the talks between the two foreign ministers, deputy head of the Foreign Ministry Press Department Nguyen Hoa said that [words indistinct] at a regular press briefing here today Mr Douglas Hurd held that the issue of human rights here was Vietnam's internal affairs and that Britain had no intention to interfere.

Nguyen Hoa further said that [word indistinct] gave a list of 4 cases to the Vietnamese side and requested it to inform Britain if Hanoi has any information about those cases. Foreign Minister Nguyen Manh Cam welcomed Foreign Secretary Hurd's correct stance and promised to keep the British side informed whenever Hanoi has any information relating to the cases.

Cooperation Documents Signed

BK1609071094 Hanoi VNA in English 1458 GMT 15 Sep 94

[Text] Hanoi VNA Sept. 15—Foreign Minister Nguyen Manh Cam and British Foreign Secretary Douglas Hurd signed here this morning cooperation documents between Vietnam and the United Kingdom.

The documents include an agreement on the British Government's soft credit loan which is worth 50 million pounds to Vietnam and the regulations for the Commonwealth Development Cooperation's activities in Vietnam.

Present at the signing ceremony were Vice Foreign Minister Nguyen Dinh Bin, Vice Minister of Labour War Invalids and Social Affaires Nguyen Thi Hang and representatives of the concerned agencies.

British Ambassador Peter Williams and those who accompanied British diplomat were also on hand.

Hurd Praises Results; Departs

BK1609071594 Hanoi VNA in English 1503 GMT 15 Sep 94

[Text] Hanoi VNA Sept. 15—British Foreign Secretary Mr Douglas Hurd, his wife and his party left here this morning concluding their official visit to Vietnam.

The British foreign secretary and his party were seen off by Foreign Minister Nguyen Manh Cam and Deputy Foreign Minister Nguyen Dinh Bin Deputy Minister for Labour War Invalids and Social Affaires Nguyen Thi Hang and other Vietnamese high ranking officials.

British Ambassador to Vietnam Peter Williams was also on hand.

Earlier, the British foreign secretary held a press conference.

Speaking at the press conference, Minister Douglas Hurd expressed his satisfaction at his Vietnam visit, spoke highly of Vietnam. He highly valued Vietnams potentials to develop and said that in addition to the existing cooperative ties, Britain will help Vietnam in the teaching of English.

He was pleased to be received by party General Secretary Do Muoi and Prime Minister Vo Van Kiet, saying he would inform British politicians and enterprisers of the changes in Vietnam with the aim to push up investment in this country.

CPV Ideology Delegation Visits PRC 10 Sep

BK1509110494 Hanoi VNA in English 0643 GMT 15 Sep 94

[Text] Hanoi VNA September 15—A delegation of the Commission of Ideology and Culture of the Communist Party of Vietnam Central Committee led by Ha Dang, head of the commission, began a China visit on September 10.

The Vietnamese delegation was received on September 12 by Dinh Quangen, politburo member, secretary and head of Information Commission, of the Communist Party of China Central Committee.

Speaking to Vietnamese ideologists, Mr. Ding Quangen hailed the fine development of the two countries' friendship since the normalization of their relations. He affirmed that at a time when the two countries are implementing renovation and open-door policies, the exchange of experience on information and ideological education is of prime importance.

For his part, Mr. Ha Dang renewed Vietnam's policy to attach attention to its friendly and cooperative relations with China.

Also, the party chief ideologist held talks with Mr. Ci Weicheng and Mr. Bai Keming, deputy heads of the CPC Central Committee's Information Committee and had working sessions with Mr. Li Shuzheng, head of the External Relation Liaison Committee of the CPC Central Committee.

Minister Attends UN ICPD Conference in Cairo

BK1409133294 Hanoi VNA in English 0640 GMT 14 Sep 94

[Text] Hanoi VNA sept. 14—'Vietnam considers population an important component of its national development strategy', said Minister in Charge of Population and Family Planning Mr Mai Ky at the freshly-concluded UN Conference on Population in Cairo.

Regarding Vietnam's viewpoint on abortion, Minister Mai Ky made it clear that Vietnam has never seen abortion as a method of family planning which in fact has helped reduce the number of abortion cases. He voiced Vietnam's support to proposals to increase official aid to developing countries' population programmes.

The minister informed other participants of Vietnam's implementation of the family planning programme over 30 years, saying that population growth rate dropped to 2.2 per cent from 3.7 per cent which was resulted from state investment of some 200 billion VND in 1994, an eight-time increase over 1992.

France To Provide Mapping Technology, Expertise

BK1609063594 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 14 Sep 94

[Text] A cooperation agreement between the Governments of the SRV and the Republic of France on territorial delineation was signed on 14 September in Hanoi.

The agreement outlines cooperation between Vietnam and France to finalize the approaches and methodologies for the master plan of Vietnamese territory. Tests of the methodology will be conducted to research the territorial master plan of Thua Thien-Hue Province.

The French side will provide and later transfer the computer system and technology to draw the plans, as well as other equipment used in map delineation. France also helps train cadres for territorial planning.

The agreement will be implemented this year and in 1995. It will be divided into two phases, each lasting 12 months.

Minister Urges Engineering To Aid Economic Growth

BK1609061294 Hanoi QUAN DOI NHAN DAN in Vietnamese 23 Aug 94 p 3

[Article by Tran Lum, member of the Central Committee and minister of heavy industry: "Urgent and Integrated Measures To Effect a Fundamental Development Step in the Engineering Branch"]

[Text] Historical realities have testified to the dialectical relationship between development of the engineering branch and the scale of industrialization and modernization. The development of the engineering branch serves as the foundation for accelerating the industrialization and modernization process. As the growth of industrialization and modernization gives rise to new needs, the engineering branch must seek ways to meet them to ensure better progress and more profound developments with each passing day.

Many nations have become advanced industrialized countries even though they are not rich in natural resources. This must be credited to their efforts to ensure high-level development of the engineering branch. Switzerland, Japan, and South Korea are typical examples. Meanwhile, Saudi Arabia, Brunei, and many other nations are rich in natural resources but are not considered to be industrialized countries because of the nonexistence of engineering branches.

As far as Vietnam is concerned, to accelerate the industrialization and modernization program, we must necessarily develop the engineering branch.

To this end, we must first of all have a clear picture of the current state of the engineering branch in our country.

Today we have 463 state-run engineering enterprises, plants, and corporations, as well as 43 privately-owned engineering facilities (following the promulgation of Decree 388). Generally speaking, because the same equipment has been used for 20 to 30 years, it is worn out and outdated. Engineering facilities also face serious shortages of high precision equipment which is much needed to guarantee high product quality. Some quipment can produce large-size products, but they lack synchronism. Except for a very small number of production lines which are equipped with computerized numerical control (CNC) machines, the majority of facilities are equipped with general purpose machines. The engineering branch now has about 50,000 machines of all types and can produce about 500 kinds of products. If the engineering branch is supplied with additional highly technical equipment, it will render increasingly effective service to all sectors of the national economy.

Regarding "software," the technology currently used by the engineering branch is too outdated. Production organization is far from rational and the the level of specialization is very low. Many plants are still affected by the heavy impact of a self-contained production system. The management mechanism is cumbersome and many managers lack dynamism and experience, especially in marketing. The contingent of skilled workers is buried in oblivion, and discipline and technology are lax.

The development environment for the engineering branch is also very limited in the fields of information, marketing, finance, and policy.

The above-mentioned facts clearly indicate that we must work out urgent and integrated measures to develop the engineering branch so that it can effectively serve the goals of national industrialization and modernization. The key orientations for the period through the year 2000 rest with efforts to effect a fundamental change in the development of the engineering branch based on our essential needs and capabilities, thereby preparing for the branch to develop vigorously, quickly, and steadily in the post-2000 era.

Contemporary scientists divide machinery production into two categories, namely, essential machinery production and related production industries. Essential machinery production consists of 12 branches: machine spare parts, power-driven equipment, hydro-mechanics and air-compressors, machinery for chemicals, machinery for plastic and metal products, machinery for the paper industry, machinery for the food and packaging industries, textile machinery, precision machinery, automation equipment, and structural steel products. The machinery related production industries include automobile production, shipbuilding, energy machinery, motor machinery and machinery for the military. From now until the year 2000 we have to reshuffle and consolidate our machinery production force, give priority to the development of selected industries engaged in essential machinery production, and gradually start developing the related mechanical fields.

On measures to consolidate and reorganize the existing machinery production force, we need to carry out the following urgent tasks. We should realize that investment in mechanical hardware requires considerable sums of domestic as well as foreign capital. Software improvement also requires extensive capital to buy technology and to train the management contingent and skilled workers, which will take a long time. The task of improving the environment is urgent and can be implemented immediately without large investment; at the same time, this will revive the machinery production industry and create the momentum for its development.

We need to lay down general planning to work out marketing policies to protect the domestic production of machinery. We must of course support the positive protection of domestic production that prevents monopolies and encourages enhancement of productivity and quality as well as efficiency, so that the competitiveness of domestic products compared with imported ones will be improved, and our products will gradually gain an advantage not only in the domestic market but also in regional and world markets.

Besides, we need to have suitable policies of taxation, pricing, import and export, and so forth that respond to the reality of the machinery industries, are able to eventually eliminate any irregularities, and truly encourage production.

We need to reorganize the production structure of the many machinery production factories with low efficiency, where the production cycle is self-contained from beginning to end. In reorganization we should look into each phase of the production cycle. For phases that have the potential to produce more, partners and buyers should be sought to absorb the extra products; and in phases where production is weak, help from domestic or foreign partners must be mobilized.

In order to develop other industrial branches, it is necessary that we develop the essential machinery production first. The former are new areas, in which we need to cooperate with foreign companies. We should select the branches that are also in demand in foreign countries, so that production can be developed to considerable dimensions. Examples of these branches are machine spare parts, power-driven equipment, hydro-mechanics and air- compressors, precision machinery, and structural steel products.

Successful production of essential mechanical production will create favorable conditions for the production of a wide variety of machinery. All machines operate using essential details, each of which have specific roles in the general operation of the machines.

Along with efforts to increase the production of essential mechanical products, we realize that it is necessary to pay particular attention to some federated engineering branches, including the production of vehicles.

Increasing vehicle production will accelerate the development of many other sectors, creating a chain reaction. Together with vehicle production, we also need to develop the ship building industry. This industry is most suitable for our country with its 1.2 million square kilometers of privileged economic zone and meets the demands for national defense and security in the new situation.

We thoroughly understand that rural areas are a vast market for the engineering branch.

Currently, there is a disparity between the demand of the peasants and their purchasing power. Their income from rice planting and from land is not high enough for them to buy equipment to mechanize cultivating, harvesting, and processing. Moreover, in northern Vietnam, due to a limited allocation of arable land per head, the peasants can hardly afford to mechanize their farm work. Therefore, in northern Vietnam, it is necessary to develop a service to mechanize land preparation, harvesting, and semi-processing in farm work. The state should adopt policies to help peasants obtain loans prior to their organizing this service. A developing agriculture mechanization service will attract the development of a machinery repair service. At the same time, it will provide information for the development of mechanical products suitable to different local conditions, such as the production of farming equipment for peasants. The satisfactory development of an agriculture mechanization service will encourage the peasants to develop different forms and scales of cooperation and to make a reasonable and legal adjustment of their land ownership so that it is more suitable as a planting area for a higher level of mechanization. According to the natural law on labor division and production socialization, some peasants will invest in small industries and handicrafts on an increasing scale and with more modernized equipment to attract idle labor in agriculture. This will reduce the labor force in agriculture and transfer it to small industries, handicraft, and industry, thus implementing the industrialization of the agricultural and rural areas.

Industrialization and modernization are causes that involve the entire society. Therefore, in order to satisfactorily develop the engineering branch for industrialization and modernization, we need the contribution of the entire society. Everybody can help to improve the hardware and software, enhance savings, actively mobilize capital in the public domain, use domestic products, limit the usage of imported products....to contribute to the strong acceleration of our engineering branch.

* General on Measures Against Peaceful Evolution

942E0090A Hanoi TAP CHI QUOC PHONG TOAN DAN in Vietnamese Jul 94 pp 6-9

[Article by Senior Lieutenant General Nguyen Nam Khanh: "Some Measures of the Armed Forces Against 'Peaceful Evolution'"]

[Text] "Peaceful evolution" is a strategic scheme of imperialism and the hostile forces to abolish socialism. Implementing that strategy, hostile forces have resorted to a series of subversive measures, of which ideological sabotage is the primary effort and overthrowing the administration led by the Communist Party is the key element. This strategy places particular emphasis on weakening and undermining the internal ranks of the revolutionary forces and creating forces opposed to socialism from within. It uses attacks on the inside as the main effort while intensifying encirclement, bringing pressure to bear on the outside, and using military forces as a deterrent. It fully exploits the ambivalence in the perception of the theory about the socialist path and the vacillations of a section of cadres regarding their politics, ideology, and class stand. It draws these cadres into serving as its hard-core force to propagandize and spread pragmatism, to bring pressure to bear in favor of political pluralism and multiparty opposition, and to use the "democracy" and "human rights" labels to deceive and win over the masses. For this reason, hostile forces' "peaceful evolution" strategy and our army's and people's struggle against it is a hard and fierce struggle between the revolution and the counterrevolution in the present time.

One of the primary targets on which hostile forces are concentrating their efforts to oppose and sabotage in carrying out their strategy is our people's armed forces. These hostile forces believe that only by weakening and breaking up the Vietnamese army will they be able to abolish socialism in Vietnam and to get rid of the Communist Party of Vietnam. If they do not weaken the Vietnamese army and cause it to vacillate ideologically, to lose confidence in the regime and the Communist Party, to renounce its loyalty to and its self-denying defense of the communist regime, they will not be able to achieve victory in Vietnam with their "peaceful evolution" strategy. This is because a lesson they have drawn from recent realities is that they must gain control of the army, neutralize it, and cause it "to stay out of politics."

First of all, hostile forces fully exploit the socioeconomic difficulties and the shortcomings of our system and policies which affect the livelihood of cadres and combatants to incite, divide, and win them over. They take advantage of their economic relations and dealings with some units and individuals to establish contact and to plant their agents in—and to infiltrate their people into—the armed forces.

With regard to local force units, hostile forces contend that these units have more "weak spots" and are organized more "loosely" than main force troops, thus they could be suborned and won over with "the four social vices" (gambling, alcoholism, prostitution, and opium smoking). Hostile forces think they must strive to gain control of the subward and village armed forces by all means to ensure the safety of the demonstrations and mass rallies in opposition to the regime. After gaining control of local troops, they would move up to controlling main force troops by "using the access to local troops to infiltrate main force troops." Concerning the army units engaged in economic work, hostile forces believe that conditions are highly favorable for them to deal with such units. Since they need investment capital for production and business and want to reap substantial profits in business, there is no doubt that these units must actively seek to meet with them and welcome them. In business dealings, hostile forces capitalize on the material privations of a number of our cadres to trap and draw them into working for them. Entering our country as diplomats, journalists, tourists.... they would ask to see, to learn about, and to interview some people in order to establish relations with them or to invite specific persons to visit foreign countries, where they would use money and material benefits as weapons to control and force these people to work for them on their terms. By means of some forms of investment and joint venture, hostile forces would try to suborn, win over, and turn a number of army cadres into "proprietors" and "small capitalists" to serve their plans. A foreign trader has said: "In my opinion, the more we invest in Vietnam, the sooner we bring about the demise of Vietnamese communism. We would help 'new factors' to emerge, develop, and struggle to change the political system when circumstances permit," and so forth.

Over the past years, in the face of the harsh trials imposed by the international and domestic situation, our people's armed forces have clearly shown their absolute loyalty to the party, the regime, and the homeland. They have joined the entire people in firmly defending our independence, sovereignty, security, and territorial integrity, and in protecting the party and the socialist regime. They have stood ready to cope with, prevent, and smash the "peaceful evolution" scheme and trick of hostile forces. Various units have always taken the initiative in overcoming difficulties, have fully perceived their own strengths and weaknesses and their own remaining problems so as to prevent the enemy from capitalizing on and boring deeply into them for subversive purposes and from sapping the armed forces' fighting strength. They have ceaselessly improved their overall quality and fighting strength, strengthened their political and ideological position, and enhanced their "resistance" to the enemy's "peaceful evolution" schemes and tricks.

To continue satisfactorily carrying out the task of preventing and opposing "peaceful evolution," thus ensuring that the people's armed forces always remain stable and strong and able to fulfill any task entrusted to them, it is necessary to continue to do a good job of understanding and implementing the policies and measures laid down by the Third Plenum of the party Central Committee and Political Bureau Directive 25. In the immediate future, we should satisfactorily apply the following measures:

1. Strengthen educational work aimed at improving the political ability and overall standards of cadres and combatants. The enemy considers the ideological struggle and the struggle over viewpoints and theories to be a key factor in the "peaceful evolution" strategy. It is on this front that the enemy has sought every means to "dethrone" Marxism-Leninism and Ho Chi Minh thought, to destroy the people's and army's confidence in the party and in the socialist objective and ideal, and to drive a wedge between the party and the army and people. They have actively sought all means—from making allegations to blacken socialism, distort the renovative line, cause skepticism and loss of vigilance, and bring about ideological disintegration, to organizing opposition and hostile forces from within—to gradually change our political line, abolish the party's leadership role.... Therefore, it is the primary responsibility of each cadre and combatant of the armed force to be steadfast to Marxism-Leninism and Ho Chi Minh thought, to gain a profound understanding of the party's line and viewpoints in order to firmly maintain their political and ideological position and to defeat all schemes and tricks of the enemy. Political education must closely follow the tasks of army units and those of the revolution, stay close to the development of theory and practice in the renovation undertaking, and enable cadres and combatants to distinguish between right and wrong, and to effectively defend Marxism-Leninism and Ho Chi Minh thought on a renovative and creative basis. We must promptly struggle against and reject—by relying on a sound theoretical and practical basis—all reactionary ways of reasoning of hostile forces. We must inculcate in all generations of cadres and party members virtues, a revolutionary way of life, and the fine traditions of "Uncle Ho's soldiers" and must enhance all people's sense of mastery and consciousness under any circumstances. We must resolutely struggle against all manifestations of negativism, preventing them from causing discontent, lessening the masses' confidence, and thereby creating weak spots which the enemy might capitalize on to oppose and sabotage us.

2. Heighten revolutionary vigilance, resolutely oppose noxious propaganda lines of the enemy. In practice, our cadres and combatants have always received oriented information from party and state documents, from radio and television stations, from books and newspapers.... At the same time, our cadres and combatants have also come into contact with many other kinds of information from several other channels.... Preventing and frustrating the schemes and tricks of using the mass media to oppose and sabotage socialism basically depends on each person's level of awareness and ability to analyze information. Therefore, it is necessary to unceasingly heighten all people's revolutionary vigilance and level of perception so that they can correctly receive and deal with information. We should examine the sources of information, their reliability, and their goals. We should receive information that is correct and beneficial to the revolution and cast aside harmful information and the enemy's distortions and psychological warfare themes. We must satisfactorily implement the regulations on the right to and the scope of information. We must fight the spreading of baseless rumors and the circulation of bad, noxious documents in the internal ranks of the army.

3. Further strengthen internal political security work. It is necessary to make cadres and combatants fully realize that internal political security work in the new situation is an important element of the party- and army-building task as a whole. This work is aimed at ensuring the political purity of the contingents of cadres, party members, and combatants in army units; and promptly checking all schemes and tricks of hostile force against the army's internal ranks. We must regularly educate cadres, party members, and combatants so that they can heighten their revolutionary vigilance; constantly train themselves; and protect their own political purity, quality, and virtue. We must promptly criticize all manifestations of erroneous ideological viewpoints and a poor sense of organization and discipline among cadre and party members. We must strengthen unity and singlemindedness in party organizations and units.

Leaders and commanders of various units must be on top of the situation and strictly guide the implementation of all procedures, formalities, and regulations concerning the management of cadres and party members, concerning discipline in making statements and establishing relations with foreigners, and concerning the preservation of the secrecy of party and state documents. They must also strictly guide the implementation of the regulations concerning the sending of cadres abroad for visits or study or on official mission and concerning their contact with foreigners.

It is necessary to make cadres and combatants clearly see that the lifting of the U.S. trade embargo and the gradual normalization of U.S. relations with us will create more favorable conditions for us to obtain capital and modern technology, to broaden our foreign relations, and to create a favorable international environment for our national construction and defense. On the other hand, our cadres and combatants should also clearly perceive hostile forces' scheme of capitalizing on the broadening of our economic, cultural, social, and diplomatic relations and taking advantage of various social establishments in and outside of our country to oppose and sabotage the Vietnamese revolution. Proceeding from this basis, our cadres and combatants should be constantly on their guard against all schemes and acts of opposition and sabotage of hostile forces. It is necessary to carry out economic work and broaden exchanges with the outside world, but we must hold fast to the requirements of national defense and security, must closely link economic building and development with national defense and security, and should avoid the tendency to focus solely on economic and technical matters. Only by carrying out all these tasks well will we be able to promptly detect enemy activities aimed at opposing and sabotaging us as well as our own weak spots and shortcomings so that measures could be taken to promptly and effectively overcome, struggle against, and check them, thereby increasing the fighting strength of the units concerned.

4. Build safe units in conjunction with building safe localities; strictly maintain the practices of regular troops. All activities of army units—from training, study, work, and maintaining relations, to the implementation of procedures for preservation of secrecy and protection against traitors, in particular unit command and management procedures, procedures for the use and maintenance of materials and technical base, weapons, combat equipment...—must be carried out in strict accordance with the regulations.

Plans and measures must be adopted to prevent the enemy and bad people from infiltrating into units to cause trouble, steal military secrets, and plant agents in the internal ranks of units. Plans must be drawn up to prevent the enemy from launching raids, carrying out sabotage, causing trouble, fomenting rebellion, and subverting the regime. We should attach special importance to places where troops are garrisoned in the cities, at airports and piers, at the borders, and in those areas where there are complicated socioeconomic problems and where large number of foreign nationals reside.

We should promptly help local party committee and administrative echelons to take the initiative in preventing complicated internal disputes which draw the participation of large numbers of people, thus causing cracks which bad people may exploit to make trouble, carry out sabotage, and foment political instability and insecurity in the localities concerned.

To carry out this task well, each cadre and combatant must have a firm grasp of the party's and state's basic viewpoints on the policies regarding religions, nationalities, on the Land Law, and so forth, in order to propagandize them and to motivate and persuade the people to study and implement them. At the same time, each cadre and combatant must listen to the people's legitimate requests and aspirations and suggest that party committee echelons and the administration study and respond to them. With regard to problems between army units and the local people, cadres and combatants must take the initiative in seeking the advice of party committee echelons and the administration and in holding discussions with the people in order to resolve them in a satisfactory manner and in accordance with reason and sentiment. They must sternly accept responsibility for their units' shortcomings before the people and must rectify them, thus preventing bad people from exploiting them to incite the people and sow disunity between the army and the local people and administrations.

Cadres and combatants must work together with the local party committee echelons and administrations to study and review the practice of building a model of "all-people national defense disposition and people's security," to draw lessons of experience from successes and failures, and to adopt appropriate measures to exercise guidance. They must contribute to building the mass movement for the fatherland's security in important political, economic, and defense bases such as areas inhabited by religious believers, border areas, coastal areas, offshore islands, and important economic and cultural installations.

Army unit leaders and commanders must pay attention to guiding the maintenance of military security. They must regularly listen to security agencies' reports on situations related to all activities of their units and on the status of security work in their units. They must also put forward preventive measures and promptly settle all incidents to firmly preserve the safety of their units and of the areas where their troops are stationed.

Commentary on 'Danger' of Peaceful Evolution

BK1409150494 Hanoi Voice of Vietnam Network in Vietnamese 1400 GMT 13 Sep 94

["Topical Talk" by station editor Van Hung]

[Text] Dear comrades and friends: During the past several years our national economy has opened its door widely to welcome many foreign investors to engage in economic joint ventures with Vietnam. Not only is the state-run economic sector enjoying this type of economic relationship, but the national defense and Armed Forces circles also have plans to engage in business activities with foreign countries. To some extent, this economic cooperation has scored initial yet encouraging achievements, thereby helping increase our national production value. In 1993, it produced a turnover of 1,950 billion dong—1,770 billion dong of this came from cooperation with the state-run economic sector—an increase of 44 percent compared to 1992. Revenue procured for the state budget increased by four percent compared with 1992. This achievement has greatly contributed to enhancing the national defense capability and improving the living standard of Army cadres and combatants.

The entire Army now has 26 economic establishments that engage in joint ventures with foreign countries. This is a sign of new changes in the economic joint venture process which is in conformity with the law and trends of development in the current and future situation. It is also totally in line with the motto "The Army carries out national defense tasks while participating in building the nation."

When speaking about the peaceful evolution schemes of imperialist and hostile forces, people immediately think about their direct intervention. They understand that only the Army units engaging in economic activities with foreign countries are subject to the danger of peaceful evolution, while those engaging in pure domestic economic tasks will not face this danger; or that all economic activities with foreign countries court the danger of peaceful evolution. These beliefs are not completely correct. If we are not fully aware of our friends and foes strategic concepts, new foreign policies, and their market economic systems, it will be difficult for us to distinguish between what is correct and what is not. Vietnam has implemented the open-door policy very late when compared with many other countries in the region. Our economy started at a very low level, facing numerous weaknesses and shortcomings in managing, guiding, and regulating economic activities in the market mechanism. Implementation of an open-door policy is essential to developing the economy. However, it is also accompanied by various complicated issues such as smuggling, embezzlement, corruption, and infiltration by spies and reactionaries who, taking advantage of relatives in Vietnam, are carrying out sabotage activities in various domains, including activities to damage our economy. These activities have caused a diverse impact on the Army. However, the peaceful evolution schemes being carried out by imperialists against our Armed Forces are aimed chiefly at the two key domains of political ideology and the economy. They pay special attention to the unique quality of our Army, the force of the dictatorship of the proletariat which defends our administration and the socialist system. They have launched a propaganda campaign to incite disunity between the Army, the state, and the people with the aim of isolating our administration and discrediting our socialist system. Particularly, they have resorted to economic measures to carry out their peaceful evolution schemes. At any given time, they may take both direct and indirect meticulous measures to undermine us by taking advantage of loopholes caused by our poor and inexperienced business management cadres to siphon low quality goods or backward industries to our country to pollute our environment and damage our economy. They may also use the pretext of doing business and promoting economic cooperation to gain access to our military secrets. In reality, there are signs of their efforts to make contact with cadres working in the military science and technology domains—cadres who have authority to sign economic joint venture agreements, and cadres who have been trained or who have worked abroad or at economic and research agencies—to exploit them and to collect secret military information in order to set up bases for underground sabotage activities. They also use money to overcome their opposition.

The activities of bribing and exploiting intellectuals from developing countries being carried out by imperialists in developed capitalist countries have led to the brain drain. For instance, during the 1961-69 period, more than 700,000 high-level specialists from Asian, African, and Latin American countries were bribed and persuaded to migrate to Western countries for economic reasons. This has saved at least $51 billion in training expenses for these Western countries. According to statistics, only 30 percent of the 90,000 Chinese students returned home after their training in the West during the 1978-89 period.

The brain drain phenomenon has seriously affected development programs in developing nations, especially when competition in the scientific-technological domain is at a decisive stage.

For this reason, those who are subjected to exploitation by the imperialists in their peaceful evolution scheme against our Army include the contingent of intellectuals and military specialists, especially scientific-technological specialists. If during the war, these specialists contributed effectively to the cause of national liberation using their intelligence, acumen, and creativity of Vietnamese military science; they are now also the key force in the cause of building modernization.

In the field of military science and technology, they have made concrete contributions to producing equipment and improving the combat effectiveness of weapons, ammunition, vehicles, and artillery. They have also displayed their [words indistinct] about the art of combat.

We now lack a contingent of competent specialized military personnel in economic construction and management. In the field of military economy, our existing contingent of cadres is not sufficiently equipped with economic knowledge as well as general and professional management skills, including foreign language capability. Therefore, when faced with a competitive market system, they have become confused and passive in production and business. This is both a challenge and a weak point against which the enemy attacks us in order to swindle us economically or bribe us.

Economic cadres must be knowledgeable about national security and defense strategies and must guard against thinking purely about economic interests. It is necessary to constantly foster a sense of awareness about national interests in sovereignty and territorial defense, especially when it comes to building processing zones, infrastructure facilities—airports, harbors, and service establishments under joint ventures in imports and exports; and construction of residential houses, hotels, and restaurants—particularly sea- and airborne economic activities.

There have been indications of a number of military units doing economic business by renting facilities to the private sector or using their combat standby facilities to do business. This runs counter to Army regulations and state law and must be terminated.

In the war for national salvation, the Army endured countless sacrifices and hardships. Now that peace has been restored, the party and the state have adopted many systems and policies to better the lives of cadres and combatants. However, there still exists numerous difficulties and disparities in the system of benefits when compared with other sectors and occupations. Taking advantage of this fact, hostile forces tend to publicize the high living standards of foreign troops in order to create an impression of social injustice.

In the process of the Army's economic activities, any unit which relaxes education and management of troops will face a situation in which pragmatism will be transplanted into the life, work, and daily activities of its troops. Without constant education and close management, there will be people pursuing money and flouting order, discipline, and common interests. This is a war without bullets, but there is still a winner and loser.

In economic sectors in which the Army now participates, certain areas may be more influenced by peaceful evolution strategy-related activities. These sectors include those involved in transport services, hotel and travel services, export-import activities, and joint ventures with foreign countries. In the years to come, these sectors will play an important role and will bring about considerable profits for the country and the Army. We must adopt an appropriate management system for these sectors. Otherwise, we will have economic results, but also political turmoil.

Smuggling activities; social vices; and economic, political, and military intelligence agents may enter our country under the effective guise of doing economic business with the military. When engaging in import-export activities and in joint ventures with foreign countries, if we not skilled in foreign economic relations we will easily become negligent and may leak economic, political, and military secrets.

As for measures against the peaceful evolution strategy, military units doing economic business must be fully aware of overall measures at the macro level and a number of documents of the party, state, Army, and researchers disseminated recently. On the other hand, we must realize the specific character of the Armed Forces in general and the Army in particular. It is not easy for the enemy to change the character or influence the revolutionary willpower of a heroic Army like ours. However, we must not be subjective to the point of losing our vigilance while the Army is engaging in economic construction amid ever-growing exchanges and integration between troops and the society and the market economy.

Military units doing economic business must place priority on providing jobs for discharged soldiers. This will help facilitate management work. Those holding management and leadership positions in economic organizations must be carefully chosen. Inspection and control activities at these units must be regularly carried out while promoting the democratic rights of members of economic organizations.

Satisfactorily carrying out the principles of the party as the leader, the Army as the manager, and workers as the master will help minimize shortcomings and mistakes in the process of production and business.

Dear comrades and friends, the midterm national party conference pointed out the four dangers that our entire party, Army, and people must be fully aware of. One of these dangers is the danger of lagging behind economically. The Army's participation in economic construction is contributing to averting and dispelling this danger. To achieve this aim, the Army must first neutralize the enemy's peaceful evolution strategy, a burning issue at present.

* Ho Chi Minh Thought on Liberation Recalled

942E0092A Hanoi TAP CHI QUOC PHONG TOAN DAN in Vietnamese Jul 94 pp 20-23

[Article by Professor Phan Ngoc Lien and Tran Thi Vinh, M.A., Hanoi Teachers College I: "Ho Chi Minh Thought on the Dialectic of Combining National Liberation With Socialist Revolution"]

[Text] Ho Chi Minh's quest for the path to national salvation and national liberation was a process of advancing from traditional patriotism to Marxism-Leninism and socialist patriotism. He affirmed a universal truth, a law of the present time: "To save the country and liberate the nation, there is no other path to take than the path of proletarian revolution."

Our national history over the past 64 years, since the Communist Party of Vietnam began to lead and conduct our people's revolutionary struggle, has confirmed that truth.

However, nowadays not a few people have actively criticized and distorted the path chosen by Ho Chi Minh. A researcher contends: Ho Chi Minh was a great patriot who typified his nation's traditions and aspirations, but he had erred when choosing communism as a means of action out of the belief that only the brutal force of communism could give his patriotism the necessary strength to achieve success! The researcher then expresses his regret about the fact that the Ho Chi Minh was a communist, claiming that "if he had been a non-Marxist, Mr. Ho would still have been able to mobilize most, if not all, of the Vietnamese people to defeat the French and build an independent, unified, and prosperous Vietnam"!

Some other people, citing the collapse of the model of socialism in the (former) Soviet Union and the East European countries as an excuse, want to abandon the socialist path. They have vociferously smeared Marxism-Leninism, considering it an unscientific doctrine. They contend that the success of the Vietnamese revolution was a "sociological phenomenon," not a proof of the correctness of a doctrine. They hold that when applied to Vietnam, the Marxist doctrine, which envisages using the working class to dig the grave of capitalism, would only lead the peasantry to dig the grave of colonialism and feudalism in order to cross the threshold of capitalism!

In such a situation, it is necessary to clarify the essence and dialectical relationship between national liberation revolution and socialist revolution and between nation and class in Ho Chi Minh's thought in order to lay bare the opportunistic way of reasoning which distorts his thoughts. On this basis, we will persevere on the path chosen by Ho Chi Minh, our party, and our people.

We all know that, during the first years of the 20th century, the national liberation movement in Vietnam had reached a crisis in revolutionary lines (as if the movement had been plunged into a pitch-dark night and could not find a way out), which was in essence a crisis regarding the leadership role of a vanguard class. The failure of the Royalist Movement was a negation of the historical role of the feudalist class in the movement of struggle for national liberation. When the French colonialists invaded our country, the Nguyen Dynasty sold them our national independence for a song. The feudalist class had thus become the enemy of the nation. Some patriotic scholars went overseas in quest of a way to liberate the nation, but all of them met with failure. The failure of the bourgeois democratic movement led by Phan Boi Chau and Phan Chu Trinh was the debacle of a political line that was vague about the class stand and based on the hope that Japan would help fight the French colonialists. Later on, Ho Chi Minh remarked that Phan Boi Chau's advocacy of relying on Japan's help to fight the French was "as harmful as driving tigers off by the front door and letting leopards in by the back door" [1] and that Phan Chu Trinh's reformist policy was "tantamount to begging the aggressors for compassion"[2]. The failures of these bourgeois democratic movements were the denial of the bourgeoisie's role in the national liberation mission.

By dint of labor and struggle for decades (1911-1920), Ho Chi Minh had become the first Vietnamese communist and an outstanding internationalist militant of the world revolutionary movement. His primary achievement was *to determine the correct way to save the country.* With his knowledge of the living conditions of the colonial peoples, in particular his political sensitivity, Nguyen Ai Quoc had come to know at an early date that the independence of each nation is intimately linked with the freedom and happiness of each person. This is the basis for the concept of people's liberation. Ho Chi Minh relied on a *historical basis,* namely the study and comparison of the revolutions that had taken place in the history of mankind in order to determine the way to national salvation. Regarding the American and French revolutions in the 18th century, he noticed that they were capitalist, half-way revolutions; "they were supposed to be republican and democratic, but in fact, domestically they exploited the workers and peasants, externally they oppressed the colonies."[3] For its part, the Russian October Revolution "succeeded in driving out the king, the capitalists, and the landlords; it also actively helped the workers and peasants of other countries and the oppressed peoples in the colonies to carry out revolutions to overthrow all imperialists and capitalists in the world."[4] Proceeding from this view, Ho Chi Minh asserted that "we must follow Marxism and Leninism."

On the basis of revolutionary practice, historical experience, and theoretical thinking, Ho Chi Minh determined the *socialist path for the struggle for national liberation.* In 1921, in an article entitled "Indochina," he asserted that a relationship must be established between the liberation of the Asian and Indochinese peoples and the liberation of the proletariat in the West and the rest of the world and the development along the socialist path.

The concept of the relationship between national people's democratic revolution and socialist revolution in the process of protracted struggle is embodied in the party's "Brief Political Platform": "The party advocated carrying out *bourgeois democratic revolution* and *agrarian revolution* in order to advance to a *communist society*"[5]. This is the general strategic line of the Vietnamese revolution. However, in exercising strategic guidance, we must be specific and flexible and must combine the implementation of these two basic tasks at various stages.

Ho Chi Minh's activities and thoughts have proved that he was not a "pure nationalist," nor was he a person who had dogmatically applied the principle of class struggle to the struggle for national liberation and socialist construction as some people have "charged" and criticized. By means of theory and practice, he shed light on the dialectical relationship between national liberation revolution and socialist revolution in the colonial and dependent countries. This relationship is reflected in the viewpoint that the national question must be resolved in accordance with the stance of the working class, and in the correct combination of the national and class questions. That concept was a turning point in the national liberation movement in Vietnam, represented a basic difference the new path and the previous paths to national salvation, and constituted the root cause of the successive victories of the Vietnamese revolution. The dialectical development of this question is that, for the colonial peoples, national democratic revolution must lead to socialism not only because socialism itself is a progressive tendency of our time but also because *only by carrying out socialist revolution can we firmly preserve the gains of national democratic revolution.*

The dialectical relationship between national liberation revolution and socialist revolution must be specifically settled in each stage, and the socialist objective must never be neglected. Therefore, Ho Chi Minh's thoughts about socialism focused on two key questions: *first, to determine the path of struggle for national liberation and the direction of advance of the revolution; second,* to work out, step by step, plans and measures for building the base of socialism when we were still carrying out the national and democratic tasks. Concretizing Ho Chi Minh's thoughts about socialism in the context of the relationship between socialist revolution and national liberation revolution, the Second Congress of the Communist Party of Vietnam (held in 1951) clearly pointed out the various stages of the advance from national people's democratic revolution to socialist revolution as follows: "...In the first stage, the main task is *to achieve national liberation.* In the second stage, the main task is *to abolish the vestiges of feudalism and semi-feudalism, completely carry out the land-to-the-tillers policy, and perfect the people's democratic regime.* In the third stage, the main task is *to build the base of socialism and advance to realize socialism.*"[6] However, in reality history has not developed in that order. Those three stages of revolution *are not separated but intimately linked and intercalated.* But each stage has a central task, and we must hold fast to this task and concentrate on fulfilling it.

In reality, after the victory of the war of resistance against the French aggressors (1954), North Vietnam was completely liberated and advanced to socialism, while South Vietnam remained under the yoke of colonialist and imperialist domination. Taking the North to socialism under those circumstances was in conformity with the development of North Vietnam (after the national democratic revolution and land reform were completed) and also in keeping with the need to step up the national democratic revolution nationwide (including the struggle to liberate South Vietnam). On the basis of that vivid reality, the third party congress, held in 1960, clearly pointed out that the strategic task in that stage was simultaneously hold high the two banners of patriotism and socialism. After 1975, as the national democratic revolution was completed in the South (also in the entire country), the policy of continuing to hold high the two banners of patriotism and socialism (meaning the fatherland and socialism, the nation and socialism) is in accord with the reality of the revolution and complete national reunification.

Thus, the various stages constitute the total process of socialist revolution in Vietnam. Since each stage has a different goal, a different object, and a different task, the deployment and organization of forces are also different. However, all the stages are closely related, with the preceding stage serving as the premise of the next one, with the succeeding stage being the necessary direction of development of the preceding one, and with all the stages being led by the party of the working class with the aim of overthrowing imperialism, colonialism, and feudalism, winning back national independence, and taking the country forward on the socialist path so that everyone is provided with food, clothing, and education. That is the essence of Ho Chi Minh's concept of proletarian revolution in Vietnam. That concept always smoldered in his mind throughout his struggle for national independence and socialism.

During the war for national liberation, Ho Chi Minh perseveringly carried out the motto "The protracted war of resistance will certainly be victorious." In socialist construction, he clear-sightedly realized that this is a "long-term, arduous cause that can not be achieved quickly but must be realized gradually"[7]. He advised that socialist construction must be in conformity with the specific conditions of a country which "was originally a colony, a backward agricultural country devastated by war."[8] Under such conditions, we must not mechanically copy what the others do and must not be dogmatic; we must think about "what methods and forms to use and at what speed to advance to socialism gradually."[9]. This is also the key to success of the Vietnamese revolution.

Yet, at present there still are self-styled researchers and "citizens" who deliberately deny the revolutionary achievements of our people and the path chosen by Ho Chi Minh and our people. They contend that all the socioeconomic difficulties that we are trying to overcome now stem from the choice of a wrong path and that only by following the capitalist path can we quickly extricate our nation from poverty and backwardness. The reality of our national history has tested, selected, and affirmed the path of advance of our nation, a path closely linked with socialism. The path chosen by Ho Chi Minh and our people conforms with the situation in our country and the objective developmental trend of our nation. Those who deliberately distort and deny that path are either motivated by ill intentions or completely ignorant of the history of revolutionary struggle of our nation.

Naturally, in the process of socialist construction, we have developed shortcomings and made mistakes. These shortcomings and mistakes are reflected in the fact that in many issues we have applied the principles of Marxism-Leninism in a mechanical, dogmatic manner, and have not constantly attached importance to using the economic conditions, social structure, and developmental level of the nation as the basis for all lines and policies in socialist construction. This has resulted in sluggishness, crises, and difficulties which we are striving to overcome today through the renovation undertaking. After seven years of carrying out renovation in accordance with the spirit of the resolutions of the sixth and seventh party congresses, we have recorded great achievements and firmly maintained the socialist orientation. This once again proves that the path chosen by Ho Chi Minh and our people are correct.

Footnotes

1. Tran Dan Tien: *Anecdotes About President Ho's Activities*, Su That Publishing House, Hanoi, 1970, p 40.

2. Ibid.

3. Ho Chi Minh: *Complete Works*, Su That Publishing House, Hanoi, 1981, Vol 2, p 197.

4. Ibid.

5. Ibid, p 295.

6. Documents of the Second National Party Congress of Delegates, February 1951, published by the Research on Party History Department of the Party Central Committee, Hanoi, 1965, p 119.

7. Ho Chi Minh: *Complete Works*, Su That Publishing House, Hanoi, 1981, Vol 7, p 498.

8. Ho Chi Minh: *Complete Works*, Su That Publishing House, Hanoi, 1989, Vol 9, p 776.

9. Ho Chi Minh: *Complete Works*, Su That Publishing House, Hanoi, 1981, Vol 7, p 784.

Preparations for Council Elections Reported

BK1509103494 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 24 Aug 94 pp 1, 2

[Text] On 10-11 and 22-23 August respectively in Bien Hoa city of Dong Nai Province and Hanoi, the National Assembly Standing Committee, the Vietnam Fatherland Front, and the Government Cadre-Organization Commission jointly organized two conferences for two regions (the first from Quang Nam-Danang southward, and the second from Thua Thien-Hue northward) to discuss preparations for the people's council elections at various levels for the 1994-99 term.

Attending the conferences were comrade heads of organizing committees of party committees; chairmen and deputy chairmen of people's committees, people's councils, and Fatherland Front Committees; representatives of the administration from 53 provinces and municipalities; and representatives of 26 agencies, sectors, branches, and mass organizations concerned.

Delegates to the conferences heard briefings on the party Central Committee's directive on supervising the people's council elections for the 1994-99 term, the Prime Minister's instruction on the elections, the contents of the revised Law on Organization of the People's Councils and People's Committees, the revised Law on the Election of the People's Councils, and other guiding documents related to implementing the Law on Election of the People's Councils at various levels for the next term, the consultative process for nominating and introducing candidates for the elections, an appraisal of the organization and activities of the people's councils and people's committees during their 1989-94 term, and a report on election expenses.

According to the National Assembly Standing Committee's decision and announcement, the election for the people's councils at various levels for the upcoming term is scheduled for Sunday 20 November. Preparations for the elections are divided into various stages: From now until 1 October, various provinces will set up electoral councils at various levels and hold consultative conferences to discuss the structure, composition, and number of people's councillors to be elected. The electoral council shall announce the list of electoral units. From 1 October to 15 November, all provinces must complete nomination of their candidates, appoint and establish electoral teams, post the list of voters, send the list and dossiers of candidates to the Central Electoral Council, receive petitions and complaints about the list of voters, announce the list of candidates, receive and settle all petitions and complaints about the list of candidates, and establish a final list of voters and settle petitions and complaints if any.

At the conference, delegates discussed various issues and made many concrete proposals related to personnel, procedures, expenditures, and good and bad experiences drawn from the last people's council elections in order to fulfill the election objectives: enhancing the people's awareness of their right to mastery in the political system, exercising the people's rights and responsibilities during the election, and electing high-caliber councillors and competent people's councils to intelligently discuss and make decisions on important tasks for localities.

Australia

Keating Launches New Frigate in Melbourne

BK1609081594 Melbourne Radio Australia in English 0500 GMT 16 Sep 94

[Text] Australia's prime minister, Paul Keating, has officially launched the nation's new ANZAC-class frigate at Melbourne in the State of Victoria. Janetica Grant reports:

[Begin Grant recording] The launch was attended by Victorian Premier Jeff Kennett, senior state and federal ministers, senior navy and defense personnel, as well as thousands of onlookers. Mr. Keating told the crowd the ship underlines the tradition of friendship that Australia and New Zealand have enjoyed in times of both battle and peace. The ship is the first of 10 being built in a $5 billion [Australia] contract that has created around 10,000 jobs nationally. Following prayers and blessings, the majestic ANZAC entered Melbourne's waters with streamers flying, bands playing and a spectacular flyover by the Roulettes and navy helicopters. [end recording]

Japan Space Program To Use Woomera Rocket Range

LD1209104594 Melbourne Radio Australia in English 0800 GMT 12 Sep 94

[Text] A former rocket range in southern Australia has been selected as a test site for Japan's space shuttle program. John Shovelan reports from Tokyo.

[Shovelan] Woomera, in South Australia, has been selected as the site for conducting automatic landing experiments. The Japanese Science and Technology Agency will conduct the experiments to develop the technology for a Japanese unmanned space shuttle program called Hope. According to the Japanese Space Agency, the Australian Government has so far given a favorable response to the proposal to rent the airfield from the Defense Ministry. If the landing tests go ahead at Woomera, then the airfield would become a front runner as the landing site for the actual shuttle flights.

Papua New Guinea

Reserve Bank Governor Dismissed; Currency Devalued

BK1109154594 Melbourne Radio Australia in English 1100 GMT 11 Sep 94

[Text] The new Papua New Guinea [PNG] Government has sacked the Reserve Bank governor, Sir Mekere Morautua, devalued the currency, and imposed a 15-month-wage freeze. Sean Dorney reports the kina has been devalued by 12 percent, the biggest single cut in the value of the PNG currency since independence from Australia 19 years ago.

[Begin recording] [Dorney] Citing the need to restore confidence in government economic management, PNG's new finance minister and deputy prime minister (Prez Haiveta) said the immediate 12 percent devaluation against the United States dollar would benefit rural cash-export-crop producers and take pressure off PNG's balance of payments. There will also be new strict controls on government spending which he said was so far out of hand under Prime Minister Wingti that the government had not been able to pay its bills.

[(Haiveta)] Between now and the end of 1994, all spending by government, except that which is essential to keep the nation running, will be frozen.

[Dorney] Mr. (Haiveta) said a wage freeze until the end of 1995 was aimed at securing the maximum benefit of the 12 percent devaluation. [end recording]

The new governor of the Bank of PNG is (Koyara Karata), whose previous position was deputy secretary of PNG's Finance Department.

Editorial Views Budget, Financial 'Crisis'

BK1309140194 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 31 Aug 94 p 16

[Editorial: "Challenge Awaiting Sir Julius"]

[Text] As minister for finance, Sir Julius Chan was partly responsible for the fiscal blow-out that has tipped Papua New Guinea [PNG] into its present financial crisis. As prime minister, he must now take charge of the efforts to get the budget back under control. He must also accelerate the structural reform of the PNG public sector and economy.

The immediate task is to wind back government spending. Sir Julius's expansionary 1994 budget, brought down in late-1993, was intended to stimulate growth outside the mining sector. The officially targeted deficit was nearly 5 percent of GDP. However, the budget made insufficient provision for the cost of the war on Bougainville. The government also failed to deal with the problem of chronic overspending by the bureaucracy. It also failed to anticipate the effect on government revenue of the collapse of world oil prices.

By March, when the new minister for finance, Mr Masket Iangalio, brought down an emergency mini-budget, the PNG government was facing the prospect of the budget deficit reaching 7 percent of GDP.

Since then, rising oil, cocoa, and coffee prices have come to PNG's aid. However, government spending remains out of control. Earlier this month, Mr Iangalio warned public servants that the measures put in place to control expenditure and to raise revenue in March "barely had any effect". The mini-budget, he said, had "got lost in the wind of bad habits".

Mr Iangalio had hoped to wind back the deficit to 3.5 percent of GDP. Now, the best that the government could expect from the mini- budget was to get the deficit back to 4.5 percent of GDP.

Sir Julius has been reluctant to admit the error of his 1994 fiscal strategy. But with only a few weeks' worth of foreign reserves left, he must move quickly to reinforce Mr Iangalio's corrective measures.

Beyond that, Sir Julius must tackle the severe, underlying problems of PNG and its economy. These include an oversized and inefficient public sector, hourly wages that are still 300 percent to 480 percent higher than PNG's competitors, a low school participation rate, underdeveloped infrastructure, excessive migration to the cities, a serious law and order problem, and an erratic government policy on mining.

Most urgently, of course, Sir Julius must negotiate peace on Bougainville. He must also end the damaging dispute between the PNG government and RTZ over equity in the Lihir gold mining project.

Indeed, he should move to put relations between the government and the mining industry in general on a more rational and predictable basis. Among other things, he should replace the present system of taking equity in new mining projects with a more satisfactory regime of resource rent taxation.

The PNG government's mishandling of the Lihir, Porgera, and Mt Kare projects undoubtedly has damaged the country's reputation with investors and added to its medium-term economic problems.

Public-sector reform is crucial. The public sector is too large, too highly paid and too often lacks the capacity to exercise control over spending and implement the government's policies. The public sector's inability to implement projects resulted in less than a quarter of the concessional loans available in 1993 being drawn down.

The public sector's inefficiency and lack of accountability also partly accounts for the poor condition of much of PNG's roads and other infrastructure. Maintenance programs are frequently unfulfilled and the money spent on consumption.

Of course, the politicians must share the blame. In recent years PNG has had one of the lowest levels of public capital expenditure in the developing world.

The need for increased (and more efficient) spending on infrastructure and services is particularly acute in rural areas, where 75 percent of the population is believed to live below the poverty line.

There are programs in place to improve the living standards of rural residents and build on PNG's comparative advantage in agriculture. But these, too, need to be overhauled.

In particular, the government needs to disengage from its policy of providing price support for tree crops.

The cost to the government of price supports has been greatly reduced by the recovery of cocoa and coffee prices. However, the capacity of the program to run out of control is shown by the 1993 experience when payments by the government were more than three times the amount budgeted.

Price supports are inefficient, in that they encourage over investment in times of weak demand. They are also potentially very expensive for the government.

In PNG's perilous fiscal state, the agricultural price support program is a disaster waiting to happen.

Vanuatu

PDP Threatens To Withdraw From Coalition

BK1409145794 Hong Kong AFP in English 1025 GMT 14 Sep 94

[Text] Port Vila, Sept 14 (AFP)—The junior partner in Vanuatu's ruling coalition, the People's Democratic Party (PDP), threatened Wednesday to topple the government by withdrawing its support.

The PDP said in a statement that its senior partner, the Union of Moderate Parties (UMP), had refused to attend meetings to discuss provincial council elections, due in November.

"If not satisfied, PDP is ready to negotiate with the opposition groups as from next week", it said.

The PDP said it wanted to discuss proposed new rules for the sharing of seats in the forthcoming election and the recent sacking of some of its members from managerial positions in state companies.

The 21-seat UMP holds government in the 46-seat parliament in coalition with the four-seat PDP and the single-member Nagriamel party.

Representatives from the PDP and UDP sought late Wednesday to negotiate a settlement to the dispute, party officials said.

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